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OF BOSTON  
ANCE COMMISSION



ANNUAL  
REPORT  
TO THE  
LEGISLATURE  
FOR 1970

VOLUME LXVI



# REPORT TO THE LEGISLATURE FOR THE YEAR 1970

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BOSTON, JANUARY 31, 1971.

*To the Honorable the Senate and House of Representatives.*

This annual report of the Boston Finance Commission sets out the operations of the Commission during 1970, as required by section 18 of chapter 486 of the Acts of 1909.

It also includes recommendations made by the Finance Commission and administrative action taken, if any, as a result of such recommendations.

There were three changes in membership during 1970. John W. Sears, who had been appointed and designated chairman on October 6, 1969, resigned from the Commission on February 16, 1970. On March 31, 1970, Lawrence T. Perera was appointed a member and designated chairman. Arthur J. Gartland resigned his membership on October 1, 1970.

## I. ORGANIZATION OF THE COMMISSION

The present membership of the Commission is as follows:

Lawrence T. Perera, chairman, term expires on August 9, 1972.

Joseph P. McNamara, member, term expires on July 17, 1973.

Frederick R. H. Witherby, member, term expires on October 9, 1974.

Russell S. Codman, Jr., member, term expires on July 28, 1971.

## II. ACTIVITIES OF THE FINANCE COMMISSION IN 1970

During the course of the year the Finance Commission published many reports based on investigations made into a variety of municipal matters, in accordance with chapter 486 of the Acts of 1909, which directs the Finance Commission to proceed as follows:

“It shall be the duty of the finance commission from time to time to investigate any and all matters relating to appropriations, loans, expenditures, accounts and methods of administration affecting the city of Boston or the county of Suffolk or any department thereof that may appear to the commission to require investigation, and report thereon from time to time to the mayor, the city council, the governor, or the general court.”

The Commission, among its other operations, also examines copies of departmental requests to award contracts without advertising. For many years requests from departments to the Mayor seeking permission to award a contract without advertising have been forwarded to the Finance Commission for comment before official action by the Mayor. During 1970, 510 such requests were received by the Finance Commission. This was an extremely large volume of such requests and required a good deal of the time of the chairman and staff to review. The Commission, after such investigation as the limit of time permitted, expressed itself in one of the following forms of recommendation:

1. That the contract be advertised for bids.
2. That no action be taken pending further investigation.
3. That the Commission had no comment to make.
4. A letter of comment is sent to the Mayor.

Based on continuous observations of these requests to award contracts without advertising, the Finance Commission made several recommendations to the Mayor.

Although the bulk of these departmental requests to award a contract occasions no response from the Finance Commission, some of these requests did elicit a response from the Commission. When a mistake in the computation of interpolated fees for an architect was discovered, the letter was returned for correction. Because of the substantial number of architects' fees involved, and the size of these fees as dictated by the schedule of the American Institute of Architects, the Commission sought to promote negotiations to produce a reduced fee.

The Commission opposed the request contained in one letter to spend \$8,000 for a piece of sculpture outside a police station. The department involved contended that it was following a policy set up in the case of structures erected on land disposed of by the Boston Redevelopment Authority, viz., that 1 percent of construction costs would be devoted to decorative art. The Finance Commission felt that this was unwarranted. As a result of the objections raised by the Commission the contract was canceled.

Notwithstanding several directives promulgated by the Director of Administrative Services ordering departments to submit requests to the Mayor for permission to award contracts without advertising well in advance of the onset of the contract period, the Commission found many instances of disregard of this directive. In some cases, in fact, the request to the Mayor for permission to award the contract was written after the onset of the contract period.

When the Commission received letters of requests to lease space for district school officials, the Commission responded by urging the use of space in municipal buildings.

## FORMAL REPORTS

### FISCAL REPORTS

In addition to conferences with municipal officials, letters to the Mayor and department heads, by the chairman and members of the staff, a number of formal reports were issued during the year covering the following subjects:

Three regular informational reports setting forth basic financial data were published in 1970, as they have been published annually for many years. One was the presentation of the city's debt picture, issued on February 23, 1970; a second was an analysis of the city's tax rate, issued on September 18, 1970; the third was a year-end picture of the city's financial situation as it entered 1970.

### TAX REVENUE FROM BRA LOTS

Perusal of the manual of the Federal Department of Housing and Urban Development disclosed that the city was missing a golden opportunity to derive a volume of in-lieu-of-tax revenue from certain Boston Redevelopment Authority-owned lots that had been leased to parking lot operators. If the BRA was familiar with this provision, that knowledge was not transmitted to the Assessing Department and the latter was left in ignorance of this opportunity to bill for revenue. In a report issued on March 9, 1970, the Finance Commission requested the Assessing Department to ascertain from the BRA the necessary data on lots eligible for these in-lieu-of-tax payments, and requested the Assessing Department to proceed to bill for such payments. A period of ten months has elapsed since the Finance Commission focused attention on this matter, but the city has yet to receive this money.

### LEASING OF OFF-STREET PARKING GARAGES

In a report issued on April 9, 1970, the Finance Commission called attention to lease arrangements between the Real Property Board and the operator of the St. James Avenue Garage in the Back Bay. The Commission took a dim view of the procedure followed in that case. A

lease for the garage was issued on June 1, 1969 for a period of two years after public bidding; the parking rate schedule was made a part of the bidding documents and the lease itself. Within five weeks the rates were permitted to be changed. The Commission viewed this permission to change not only as unfair to the competing bids but also in violation of chapter 612 of the Acts of 1948 which required that the lease shall contain schedules of maximum rates and that the lease shall not be modified.

The Commission felt, moreover, that the modifications in a lease were incompatible with the public parking policy previously enunciated by the city. The Finance Commission went further and called for the adoption by the city of a comprehensive transportation policy and the fixing of that policy with a department which will have the authority to implement it. In brief, the Commission proposed that this function be taken from the Real Property Board and placed in a new Department of Transportation; and that immediate action be taken in three areas of this valid municipal function of off-street parking, viz., leasing, rate policy, and organization.

#### PARKING METER RATES AND REVENUE

In a report issued on May 14, 1970, the Commission addressed itself to the matter of parking meter revenue. Acknowledging that the primary purpose of parking meters is to achieve the most effective and equitable allocation of the curbside parking supply the Commission contended that the meters program also ought to be self-financing. The report pointed out that in recent years meter revenue and the cost of the parking meter program had been moving in opposite directions; while the receipts were dropping off by 12 percent, the cost of the meter program was almost tripling in amount. The Commission stated that this failure of meter revenue to meet the cost of the program was a new development; furthermore, that parking meter enabling legislation contemplated that meter revenue should be sufficient to maintain the program and to finance related parking and traffic purposes. The Finance Commission recommended, therefore, that a higher level of parking meter receipts should be realized by increasing parking meter rates.

By a remarkable coincidence, when this report was released, the reaction of the Commissioner of Traffic and Parking was that he had intended to do this very thing, that is, to increase the rates.

### SCHOOL BUILDING SERVICE ORDERS

As the result of much newspaper publicity focused on the administration of service orders for minor school building repairs, the Finance Commission spent several months examining "service orders" to (1) determine if any individual contractors were unduly favored in the distribution of school building repair work and (2) determine how present service order procedures and policy might be improved. A report was issued on July 2, 1970. The Commission analyzed 1,224 service orders, and classified them according to certain criteria. These criteria were: (a) name of contractor, (b) nature and scope of work, (c) date of the order, (d) money value of the order and whether it was routine or emergency in nature, (e) whether invitational bids were secured, (f) location of the work, (g) date of performance, *et al.*

The Commission found that present procedures generated excessive volume of service orders and called for drastic measures to reduce the volume and the related clerical work. It was also found that a substantial number of different contractors were used to perform repair work and that the department was seeking additional contractors who have valid work experience and are available and willing. To help satisfy this objective the Finance Commission prepared a questionnaire that was sent to 287 contractors (161 of whom responded), and a list of 106 contractors was compiled and turned over to the Department of Planning and Engineering of the School Department to create a greater reservoir of available contractors. This wide distribution of contractors would also assist in carrying out another Finance Commission recommendation, viz., contracting for various types of repair work on a district and unit price basis, and promoting immediate response when speed was essential.

The Commission did not find any evidence that the R. & L. Construction Company, at whom the charge of



favoritism was leveled, had obtained service order work by improper means.

The Commission found that the volume of service orders described as "emergency," and therefore processed without bidding of any kind, was disturbingly high, and called for limiting the use of the designation "emergency." The Commission also called for a small repair staff to handle repeat repair work of a minor character, such as lock and furniture repairs. As an alternative to such a staff, the Commission felt that at least the work should be done on a unit and district basis whereby prices would be settled in advance by schedule and agreed upon by the contractors.

The Commission also recommended that the School Committee consider the use of custodial staff to handle certain routine and minor repairs.

While the Finance Commission was conducting its investigation, the School Committee engaged the firm of Charles M. Evans and Associates of Boston to make a management survey of this operation of repair work. Evans Associates published a voluminous report which agreed with the recommendations of the Finance Commission relating to procedural improvements; the Evans report made a detailed study of procedures and spelled out new forms and procedures calculated to correct past deficiencies and in general streamline the operation. These recommendations are being put into effect; this includes the use of custodial staff to perform minor repairs.

#### ABANDONED BUILDINGS IN BOSTON

On December 7, 1970, the Finance Commission published a forty-six-page report (with suggested legislation and related statutes added) on the subject of abandoned buildings in Boston. The Commission had engaged the services of a Harvard Law student for the greater part of the summer of 1970 to explore this matter in all its ramifications. The Commission felt that in the interest of conserving Boston's dwindling housing stock many buildings now destined for abandonment can and should be salvaged and conserved. The inevitability of abandonment, it was felt, should not be accepted as a matter of course.

The report found that several approaches and devices were available that could make this preservation program possible. Besides efforts aimed at early stages of neighborhood decay, new approaches included a self-liquidating approach to code enforcement, new municipal regulatory policies, licensing ordinance for owners and managers of rental housing, uniform statutory lease with appropriate safeguards for both tenants and landlords applicable to low-income housing, a consistent period of exemption from taxes for housing rehabilitation projects, and the restructuring of existing court procedures were among the recommendations included in this report.

This report received wide publicity and evoked response in many quarters. The general response augured well for a successful follow-up on the objective of this report.

#### MDC ADVISORY BOARD

On March 18, 1970, the Finance Commission issued a statement supporting House 3607 which provides for an advisory board to the Metropolitan District Commission. The establishment of such a board to provide a voice for the several municipalities in the MDC district in the policies of that agency that so deeply affect these municipalities has been a cherished objective of the Finance Commission for many years. The importance of such a board becomes increasingly clear yearly. As public sentiment coalesces in the support of a solid metropolitan approach to metropolitan areas, there is reason to suppose that something resembling an advisory council will become a reality in the near future.

#### LEGISLATION FILED BY FINANCE COMMISSION CHAIRMAN

Chairman Lawrence T. Perera has filed legislation in the current session seeking to (1) impose charges on certain tax-exempt institutions, including public authorities, for fire protection services, and (2) charge for police protection furnished to certain private educational institutions unless the latter provide separate campus police.

To eliminate the need for service of civil process by deputy sheriffs, the Chairman of the Finance Commission also filed legislation authorizing courts to make rules providing for service of process by registered or certified mail. This represents a continuation of interest by the Finance Commission in the question of the proper scope and payment of deputy sheriffs, a subject of intense Finance Commission activity in recent years.

When the Massachusetts Judicial Court decided against the Finance Commission in 1970, in the latter's suit seeking to compel the other three Suffolk County municipalities (Chelsea, Revere, and Winthrop) to share with Boston the cost of operating Suffolk County, it became clear that only a statute expressly directing these municipalities to assume a proportionate share of the county costs could achieve the desired objective. Accordingly, legislation has been filed in the current session of the legislature for this purpose.

#### TAX EXEMPTION LEGISLATIVE CONTROLS

In the interest of developing a tighter control over charitable corporations a legislative proposal was filed by former Chairman Sears (with Representative Frye) which became chapter 219 of 1970. This provides that failure of a charitable corporation to file the annual report required by General Laws, chapter 12, section 8F with the Division of Public Charities in the Department of the Attorney General shall also result in loss of the tax exemption of that corporation.

This move is allied to the successful enactment of another legislative proposal launched by former Finance Commission Chairman Thompson (with the support of Assessing Commissioner Anzalone) which became chapter 129 of the Acts of 1969. This Act removes the tax exemption on both real and personal property in the situation when there is the possibility that at some future time any of the assets of the organization may be distributed to any stockholder, trustee, or member of the organization.

## OTHER COMMISSION ACTIVITIES

Besides the subjects outlined above, many other municipal matters engaged the attention of the Finance Commission in 1970. Among these were four areas of special interest: Suffolk County Jail, the courthouses, the parks and recreation system, and the Art Commission.

In the case of the Suffolk County Jail and the old and new courthouses, the purpose of the Commission was to find workable methods to avoid the construction of new and costly buildings.

In the case of the Suffolk County Jail, an institution long since condemned as unfit for jail purposes and crying for replacement, the Finance Commission sought to direct official attention to the possibility of utilizing jail space in the Middlesex County Courthouse now under construction.

After many years of deep concern about the condition of the Suffolk County Jail, the Finance Commission in December, 1966, engaged the National Council On Crime And Delinquency to study and evaluate the administration and operation of the jail. At the heart of the report by the National Council was the recommendation that the jail be replaced by a new pre-trial detention facility having a capacity for 150 prisoners.

Since no steps had been taken to carry out that recommendation, the Finance Commission in September, 1970, proposed that efforts be made to engage jail space in the Middlesex Court House, hopefully to be completed within three years; furthermore, that female prisoners be housed at the Massachusetts Correctional Institution for Women at Framingham, that juveniles be remanded to the custody of the Youth Service Board, and that the House of Correction at Deer Island be used for sentenced prisoners.

The Finance Commission proposal was then brought for study to the attention of the Governor's Committee on Criminal Justice and Law Enforcement. Middlesex County Sheriff John J. Buckley joined in this proposal to phase out the Charles Street Jail and transfer its prisoners to the new Middlesex County Jail. The matter

is now in the hands of the Joint Correctional Planning Commission.

In 1970, the Finance Commission also considered ways to save the costs of a new courthouse building by maximizing the use of the two present courthouses, and relocating elsewhere certain functions presently administered in these courthouses.

The present courthouses, so-called old and new courthouses, house a multiplicity of functions. Besides the Supreme, Superior, and Municipal Courts, there are other operations, such as the Registry of Deeds, Registry of Probate, Land Court, and the Juvenile Court. Some of these activities could easily be transferred to alternate locations thereby enabling the county to gain the fullest potential of the existing court buildings for court functions only and correct the present chaotic conditions.

It is generally conceded that the construction of a completely new courthouse is not financially feasible within the foreseeable future. The Finance Commission, therefore, felt that the application of the arts of skillful space planning, architectural rehabilitation of the old courthouses (as in the manner of the old Boston City Hall), and the use of modern administrative analysis might be effectively used as an alternative; coupled with such a study there would have to be some hard decisions on relocating certain functions which do not necessarily have to be located in the present courthouses.

Instead of pressing for a new courthouse, which might cost as much as \$75,000,000 to construct, this alternative should be fully explored.

The Public Garden and the Boston Common, two famous historical parks of the Parks and Recreation Department, also came in for Finance Commission attention in 1970. An appalling condition of neglect of the sculptures and monuments in those parks prompted the Finance Commission Chairman to prepare a lengthy list of examples of neglect and to press for their restoration.

Conferences with officials of the Parks and Recreation Department were held and their special interest solicited. Inasmuch as the will of George Robert White provided that "the net income . . . should be used for creat-

ing works of public utility and enjoyment for the inhabitants of Boston" discussions were held with trustees of the George Robert White Fund seeking the application of the income of that fund to the city parks system to help finance the restoration of neglected areas in those parks, especially the Common. The other official agency charged with official concern for the monuments and works of art in the city's public parks is the Boston Art Commission. Unfortunately, that commission, with a paltry appropriation of \$2,000, has been able to do little to protect the beauty and appearance of these monuments.

Only a concentrated effort on several fronts holds any promise of assuring that these historic monuments and parks will be restored to an appropriate condition.

The Finance Commission has, over the years, undertaken several studies of the Boston School System, notably one in 1930, and the so-called Strayer Report made in 1944. The Strayer Report was the last comprehensive study made of the Boston School System by any agency; organization, administration, curriculum, capital plan and plant, educational policy, etc., were all analyzed and evaluated.

The most recent broad inquiry into the Boston School System was undertaken by Dr. Joseph M. Cronin and McBer & Company at the request of the Boston School Committee with the support of the Massachusetts Advisory Council On Education. Their report was published in September, 1970. The Cronin Report examined the school system as an organization, curriculum and programming, educational policy, the role of various classes of personnel, accountability, relation to the community, composition of the School Committee, planning program evaluation and the budget, *et al.* The Cronin Report recommends many new approaches to basic issues.

At the request of the Finance Commission Chairman, Dr. Cronin, director of the study, discussed the report with Finance Commission members. The latter have selected certain specific areas and recommendations in the report for future study. These areas include: (1) testing the concept of community participation and involvement against present policy, (2) requiring that state vocational

disbursements be spent on vocational programs and that the programs be further developed, (3) coordinating the school health program with the community health care programs now underway, (4) instituting programmed budgeting in the School Department, (5) emphasizing methods of obtaining federal assistance, (6) integrating existing recreational and library programs with the school system.

### III. THE FINANCIAL SITUATION

This report of significant highlights in the financial picture becomes Part II of the Annual Report of the Commission for 1970. The purpose of this report is to assemble in convenient compilation significant data which are not brought together in this form in any other publication.

The following is a summary of the highlights of this report. The text follows this same order.

1. Boston closed its 1970 financial year with an operating surplus of \$1,553,515.19. The excess of net actual revenues over estimates of \$10,235,112 was more than offset by appropriations from surplus of \$12,786,-072.97. Nevertheless, because of the 1970 overlay deficit of \$4,104,476.25 is treated on the city's books as an asset (since it must be raised in the subsequent year by taxation), there is technically a surplus for the year. (Table I.)

2. Boston's net debt at the end of 1970 stood at the all-time high of \$211,188,558.92, a 20 percent increase over 1969 and a 90 percent increase over the 1965 figure. (See Finance Commission Report dated March 1, 1971.)

3. In 1970 property tax collections fell 1 percent compared with 1969. (Table II.)

4. Overlay deficits, resulting from abatements in excess of overlays, appropriated in prior tax years, will cost Boston \$3.73 in the 1971 tax rate. (Table III.)

5. Boston in 1970 appropriated for the overlay the full amount allowed by law to cover abatements: i.e., 6 percent of the "net requirements" to operate the city. Whether this increased overlay provision will be adequate remains to be seen.

6. Tax abatements in 1970 totaled \$14,833,430.06. After allowing for large railroad abatements in 1969 (not repeated in 1970) 1970 abatements all but equaled those of 1969. Abatements other than statutory abatements totaled \$8,772,391.01 in 1970, compared with \$7,262,-667.75 in 1969. Overvaluations dropped and ATB decisions and settlements increased. (Table IV.)

7. Again, there was a substantial sewer use operating deficit. The sewer deficit in 1970 rose to \$2,949,901.78. This will put \$1.82 on Boston's 1971 tax rate.

8. Water service again produced an operating deficit in 1970, in the amount of \$2,264,062.04. While revenues increased \$1,000,000 in 1970, expenses jumped by \$1,600,000. This will put \$1.40 on the 1971 tax rate. (Table VI.)

9. Expenditures for the Health and Hospitals Department, the largest single spending agency in the city, climbed to \$49,676,438.75. Health and Hospitals revenues jumped to \$36,611,115.38. As hospital revenues have climbed, the net cost of service has dropped over the past three years. (Tables VII-VIII.)

10. School Department expenditures, for all purposes, continue to climb sharply. Given the rate of increase, the department will by the close of 1971 have just about doubled its expenditures since 1966. (Tables IX-XI.)

11. Operating expenditures for all city departments in 1970 totaled \$191,083,530.51. Of this figure 59 percent went for the following major municipal functions:

Health and Hospitals	.	.	.	.	.	.	\$49,676,438' 75
Police	.	.	.	.	.	.	38,218,820 08
Fire	.	.	.	.	.	.	24,819,436 69
							<hr/>
							\$112,714,695 52

If one adds to this total the 1970 budget for school expenditures of \$83,370,279.99, it follows that education, health and public safety account for 71 percent of total expenditures for all departments of the city.



**TABLE I**  
**1970 OPERATING STATEMENT**

	Estimated Receipts	Actual Receipts
City . . . . .	\$42,773,332 91	\$50,613,211 50
County . . . . .	4,887,105 65	5,004,764 22
School Committee . . . . .	1,492,258 70	1,177,264 11
Motor Vehicle . . . . .	8,663,998 07	9,787,092 65
State-Cherry Sheet . . . . .	46,202,936 22	49,428,225 97
Tax Titles, General Revenue . . . . .		1,959,318 60
Tax Possessions . . . . .		138,740 00
Taxes (including prior years) . . . . .	239,110,210 67	235,256,337 08
	<hr/>	<hr/>
	\$343,129,842 22	\$353,364,954 13
Tax Levy Estimated Revenues . . . . .	\$343,129,842 22	
Net Actual Revenues . . . . .	353,364,954 13	
	<hr/>	<hr/>
		\$10,235,111 91
Charges to Surplus:		
Appropriations from Surplus . . . . .		12,786,072 97
		<hr/>
		*\$2,550,961 06
Additions to Surplus:		
Overlay Deficit Appropriated . . . . .		4,104,476 25
		<hr/>
Operating Surplus — 1970 . . . . .		\$1,553,515 19
Accumulated Operating Surplus — 1969 . . . . .		1,933,856 96
		<hr/>
Accumulated Operating Surplus — 1970 . . . . .		\$3,487,372 15

\* Deficit.

### *Property Tax Collections*

Despite Boston's sharply increasing tax rate, property tax collections are still strong, but appear to be softening somewhat. At the close of the fiscal year 1970 out of a commitment of \$252,101,691.55, 8.55 percent remained uncollected. The figures for the first quarter of 1971 are unavailable. As the following table indicates, the amount uncollected at the end of a given year is usually substantially reduced by the end of the first quarter of the next year.

**TABLE II**

YEAR OF LEVY	Committed for Collection	Percent Un- collected by December 31 of Year of Levy	Percent Uncollected at Close of Next Quarter
1966 . . . . .	\$151,156,468 70	7.203	4.703
1967 . . . . .	179,049,780 16	7.668	4.512
1968 . . . . .	201,810,257 88	8.000	4.237
1969 . . . . .	229,469,303 44	7.418	4.140
1970 . . . . .	252,101,691 55	8.551	

Tax titles on taxes outstanding December 31, 1970 total \$8,774,419.36

### Overlays

An overlay is the amount appropriated each year to provide for possible abatements of taxes. The state of the city's overlay accounts is as follows:

TABLE III  
OVERLAY RESERVE ACCOUNTS

LEVY YEAR	Appropriated†	Balance December 31, 1969	Balance December 31, 1970
1962 and Prior . . .		\$1,977,882 98*	\$2,511 00*
1963 . . . . .	\$6,624,068 11	58,240 99*	2,592 00*
1964 . . . . .	6,938,507 17	102,480 81*	290,677 48*
1965 . . . . .	8,159,535 94	181,366 50*	430,274 72*
1966 . . . . .	7,251,578 24	336,819 80*	434,618 20*
1967 . . . . .	8,589,944 81	846,288 46*	824,355 40*
1968 . . . . .	9,702,734 84	601,396 71*	1,643,368 75*
1969 . . . . .	11,187,943 09	3,844,508 40	2,408,633 35*
1970 . . . . .	14,440,286 59		9,487,741 81

\* In excess of overlay provision.

† Established by chapter 717 of the Acts of 1957 — not less than 5 percent nor more than 6 percent of "Net Requirements." In 1970 the city used the maximum 6 percent overlay permitted by law. Only the future will tell whether 6 percent will be adequate.

### The Overlay Deficit

An overlay deficit results when abatements are granted in excess of the overlay provision of any levy year. By the close of 1969 as a result of abatements granted for all years prior to 1969, the overlay accounts for *all* prior years fell into deficit. By the close of 1970 the 1969 overlay account, too, went into deficit bringing total overlay deficits to be appropriated in 1971 to \$6,037,075.90. This will add \$3.73 to Boston's 1971 tax rate.

Tax abatements now and in the future continue to impose a considerable financial burden on the city. Abatements granted on any levy year, 1969 and prior, will become part of an overlay deficit to be appropriated in a succeeding year. In 1970, the city provided the maximum overlay permitted by law — 6 percent. In the light of the city's past experience it cannot be assumed that even this increased amount will be adequate. Boston's 1969 and 1970 abatement history is as follows.

**TABLE IV**  
**ABATEMENTS**

	1969	1970
Overvaluations . . . . .	\$5,091,610 28	\$4,151,667 64
ATB* — Settled after Withdrawal . . . . .	1,899,091 04	2,457,356 82
ATB Decisions . . . . .	109,553 70	1,755,200 64
Chapter 58-8 Uncollectible† . . . . .	3,811,225 60	408,165 91
Chapter 59-5 Exempt . . . . .	1,725,504 18	22,382 00
Clause 17 Widows . . . . .	495,133 30	553,134 08
Clause 18 Aged, Infirm . . . . .	55,290 34	47,566 55
Clause 22 Veterans . . . . .	1,935,516 13	1,608,939 92
Clause 37 Blind . . . . .	57,241 40	60,744 16
Clause 41 70, Over . . . . .	3,437,615 41	3,633,076 70
Clause 42 Widows, Police-Fire . . . . .	10,684 84	11,985 20
Illegal . . . . .	167,975 30	123,210 44
	\$18,796,441 52	\$14,833,430 06

\* ATB = Appellate Tax Board

† In 1969, railroad abatements accounted for \$3,648,812.87 of the \$3,811,225.60 charged to chapter 58-8.

**TABLE V**  
**BOSTON CASES PENDING**  
**MASSACHUSETTS APPELLATE TAX BOARD**  
**JUNE 30, 1970**

	1968-1969	1969-1970
On Hand June 30 . . . . .	6,580	7,366
Entered . . . . .	2,792	2,487
Disposed of . . . . .	2,006	3,377
On Hand June 30 . . . . .	7,366	6,476

Boston cases on hand at the close of calendar year: 5,578.

*Sewer Use Deficit*  
*(Excess of Expenditures Over Receipts)*

The unbroken run of sewer use deficits continued in 1970. Since the introduction of sewer use charges in 1961 there has been in every year an operating deficit which has had to be appropriated in the next succeeding year.

Such a deficit operation should not be permitted to continue any longer. The user should pay the full cost of this service.

In 1971, Boston must raise \$2,949,901.78 in taxes to pay this deficit. This will add another \$1.82 to Boston's 1971 tax rate. And a 1970 underestimate of \$476,599.31 in the MDC assessment will no doubt also have to be appropriated in 1971.

Rounding out the picture on sewer use figures, the following are the unpaid sewer use charges at the close of 1970:

Sewer Use Charges 1968 and Prior . . . .	\$333,662 75
Sewer Use Charges 1969 . . . . .	995,359 82
Sewer Use Added to Taxes 1969 and Prior . . . .	172,468 14
Sewer Use Added to Taxes 1970 . . . . .	203,552 22
	<hr/>
	\$1,705,042 93*

\*Sewer Use Tax Titles, not included above, amounted to \$202,406.87.

### *Water Service*

Water service in 1970 once again also incurred a substantial operating deficit — \$2,264,062.04. While water receipts increased \$1,000,000 over 1969, expenditures jumped \$1,600,000! (A two-year comparison follows below.) Since fourth quarter water billings were mailed late in both 1969 and 1970, the figure for 1970 receipts was benefited by the late 1969 billing.

The city has not as yet made public its report on a study of Boston's water rate structure commenced earlier in the year by the Public Works Department. In any event, the conclusions of the report will no doubt be influenced by the prospective increase in MDC water charges provided for in House Bill No. 4944 which received a favorable committee report. The 1971 appropriation for the water deficit will cost Boston \$1.40 on the 1971 tax rate.

**TABLE VI  
WATER SERVICE**

	1969	1970
Balances . . . . .	\$285,914 32	\$614,004 42
Receipts . . . . .	8,922,220 32	9,952,277 58
	<hr/>	<hr/>
	\$9,208,134 64	\$10,566,282 00
Expenditures:		
Water Service . . . . .	\$2,939,883 81	\$3,806,790 75
Pensions and Annuities . . . . .	240,273 16	347,762 09
Collecting Division . . . . .	310,111 00	268,217 00
Data Processing Unit . . . . .	345,502 00	600,919 00
PWD . . . . .	1,042,820 00	1,063,525 00
Pensions — State-Boston . . . . .	135,400 00	126,448 00
Debt and Interest . . . . .	130,325 00	224,612 50
MDC Assessment . . . . .	5,673,420 96	5,996,742 12
	<hr/>	<hr/>
	\$10,817,735 93	\$12,435,016 46
	\$1,609,601 29*	\$1,868,734 46*
Carried Forward . . . . .	614,004 42	395,327 58
	<hr/>	<hr/>
	\$2,223,605 71*	\$2,264,062 04

\* Is excess of expenditures over receipts.

# *Health and Hospitals Department*

Since the establishment of the Health and Hospitals Department in 1965, but not because of such consolidation, hospital expenditures have climbed rapidly. Fortunately, hospitals income — in large part resulting from increased third-party payments — has also climbed sharply:

TABLE VII

	Expenditures				
	1966	1967	1968	1969	1970
Health	\$2,057,470 16	—	—	—	—
Health and Hospitals Department in 1967	20,439,884 20	\$26,375,396 69	\$29,981,427 35	\$39,296,525 25	\$49,676,438 75
Mattapan Chronic Disease Hospital	2,473,532 62	2,706,573 63	2,988,312 99	—	—
Long Island Chronic Disease Hospital	2,825,463 81	2,914,311 30	3,499,151 74	—	—
	\$27,796,350 79	\$31,996,281 62	\$36,468,892 08	\$39,296,525 25	\$49,676,438 75
Income					
	\$11,213,486 35	\$15,400,895 36	\$21,476,777 24	\$25,861,798 20	\$36,611,115 38
Net Cost					
	\$16,582,864 44	\$16,595,386 26	\$14,992,114 84	\$13,434,727 05	\$13,065,323 37

In 1971, before any supplemental request, the Mayor requested an appropriation of \$52,427,819 for the Health and Hospitals Department.

The following table will help round out the Health and Hospitals Department picture.

TABLE VIII  
LOAN ACCOUNTS AT YEAR END, 1966, 1967, 1968, 1969, AND 1970

ACCOUNT NUMBER	Purpose	From Previous Year	Revenue Received	Loans Issued	Expenditures	Loans Authorized
6-56-12 Construction of Buildings						
1966	. . . . .	\$594,612 22	—	—	\$176,541 70	\$700,000
1967	. . . . .	418,070 52	—	\$700,000	753,087 33	—
1968	. . . . .	364,983 19	—	—	97,138 22	—
1969	. . . . .	267,844 97	—	—	—	—
1970	. . . . .	267,844 97	—	—	—	—
Unencumbered 12-31-70 \$103.34						
6-63-84 Remodeling, Reconstructing and Extraordinary Repairs, chapter 668 of 1958						
1966	. . . . .	\$313,524 49	—	—	\$68,961 46	—
1967	. . . . .	244,563 03	—	—	77,237 99	—
1968	. . . . .	167,325 04	—	—	485 00	—
1969	. . . . .	166,840 04	—	—	—	—
1970	. . . . .	166,840 04	—	—	158,943 40	—
Unencumbered 12-31-70 None						
6-63-97 Remodeling, Reconstructing and Extraordinary Repairs to Buildings, Hospital, chapter 752 of 1963						
1966	. . . . .	\$486,016 53	\$28,988 18	\$1,000,000	\$1,043,252 54	\$2,500,000
1967	. . . . .	471,752 17	331,177 50	1,000,000	963,459 19	1,500,000
1968	. . . . .	839,470 48	13,854 12	500,000	998,705 16	1,000,000
1969	. . . . .	354,619 44	136,759 96	800,000	457,789 67	200,000
1970	. . . . .	833,589 73	—	200,000	543,571 56	—
Unencumbered 12-31-70 \$96,832.19						
6-56-31 Long Island, Construction of Buildings						
1969	. . . . .	Unencumbered 12-31-69	\$5,750,000	Rescinded in 1971		

6-56-13 Planning, Designing, Acquiring Land for Constructing and Equipping Structures					
1967	.	.	.	—	\$150,000
1968	.	.	.	—	750,000
1969	.	.	.	—	1,300,000
1970	.	.	.	—	4,000,000
				Unencumbered 12-31-70	\$16,147,589.68
6-63-81-701 Remodeling, Reconstructing and Extraordinary Repairs, Chapter 364 of 1955					
1968	.	.	.	—	—
1969	.	.	.	—	—
1970	.	.	.	—	—
				Unencumbered 12-31-70	\$20,420.69
6-63-87-713 Remodeling, Reconstructing and Extraordinary Repairs to Public Buildings, Health and Hospitals					
1969	.	.	.	—	—
1970	.	.	.	—	—
				Unencumbered 12-31-70	\$312,912.01
6-69-75-713 Remodeling, Reconstructing and Extraordinary Repairs to Buildings, Boston City Hospital					
1970	.	.	.	—	—
				Unencumbered 12-31-70	\$27,865.00
6-69-75-714 Remodeling, Reconstructing and Extraordinary Repairs to Buildings, Long Island Hospital					
1970	.	.	.	—	—
				Unencumbered 12-31-70	—
6-69-75-715 Remodeling, Reconstructing and Extraordinary Repairs to Buildings, Mattapan Hospital					
1970	.	.	.	—	—
				Unencumbered 12-31-70	—
				Unencumbered 12-31-70	\$26,913
					\$475,000
					\$1,000,000
					\$500,000
					\$300,000

*School Department*

The following data illustrates recent trends in Pupil Enrollment and School Expenditures. This section of the report also includes a Statement of Loan Authorizations for School Construction.

TABLE IX  
PUPIL ENROLLMENT AND TEACHERS

YEAR	Pupil Enrollment*	Teachers†	(Permanent — Does not include provisional and temporary teachers. Conservatively, this could mean 500 additional teachers.)
1965 . . . .	94,035	3,781	
1966 . . . .	92,606	3,984	
1967 . . . .	92,892	4,082	
1968 . . . .	94,841	4,278	
1969 . . . .	95,857	4,589	
1970 . . . .	97,344	4,831	

\* September 30

† June 30

A long-term downward trend in pupil enrollment now seems to have ended. This trend was, of course, first checked in 1968 when four-year-olds were admitted to prekindergarten. Pupil enrollment jumped by 2,000 between 1967 and 1968. The increase in enrollment dropped to 1,000 between 1968 and 1969. There will be a very substantial increase in pupil enrollment as the planned closing of parochial schools continues. The future of parochial education is a critical factor, therefore. Before long, Boston may well have to absorb a substantial number of additional students into the public school system.



TABLE X  
SCHOOL EXPENDITURES 1966 TO 1970, INCLUSIVE

	1966	1967	1968	1969	1970
General School Purposes					
Administration . . .	\$1,250,646 05	\$1,499,037 41	\$1,681,776 65	\$1,797,612 87	\$2,148,037 73
Instruction . . .	38,809,437 70	44,481,830 52	49,827,626 25	55,704,408 77	63,240,409 48
Attendance and Health . . .	1,245,366 78	1,359,727 79	1,528,873 31	1,745,136 45	2,100,586 14
Pupil Transportation . . .	348,135 74	444,014 37	580,275 80	718,814 33	970,610 55
Operation of Plant . . .	4,889,593 40	5,436,186 51	5,810,999 42	6,202,576 95	7,010,457 17
Other . . .	9,206,093 71	10,325,768 29	12,139,696 07	12,194,819 12	13,185,554 40
School Buildings*					
Alterations and Repairs . . .	1,892,887 96	1,984,483 66	2,092,580 64	3,609,667 38	4,615,321 37
Land and Buildings . . .	512,776 24	—	—	—	—
Other . . .	184,216 84	—	—	—	—
Totals . . .	\$58,339,154 42	\$65,531,048 55	\$73,661,828 14	\$81,973,035 57	\$93,270,976 84

\* School Buildings is now the Department of Planning and Engineering of the School Department.

1960 Grand Total, \$36,414,255.51

TABLE XI  
LOAN AUTHORIZATIONS FOR SCHOOL CONSTRUCTION

December 31, 1970

*Outside the Debt Limit*

AUTHORIZED DATE	Purpose	
Dec. 2, 1963	Construction of Buildings, Acquisition of Land	\$14,000,000
Feb. 2, 1966	Construction of Buildings, Acquisition of Land, School	19,000,000
Jan. 11, 1968	Planning, Designing, Acquisition of Land, School	1,000,000
Mar. 13, 1970	School Project, Chapter 645, Acts of 1948.	52,000,000
Mar. 13, 1970	Planning, Designing, Acquisition of Land, School	10,000,000

*Inside the Debt Limit*

July 29, 1969	Remodeling, Reconstruction, Extraordinary Repairs, City Hall Annex, School	2,200,000
May 6, 1970	Extraordinary Repairs	
	School Buildings, Converted Space	330,000
	School Buildings, Air Pollution Control	1,000,000
Dec. 26, 1970	Extraordinary Repairs, City Owned Building, 370 Columbia Road	1,500,000

Respectfully submitted,

LAWRENCE T. PERERA, *Chairman,*  
 JOSEPH P. McNAMARA,  
 RUSSELL S. CODMAN, JR.,  
 FREDERICK R. H. WITHERBY,  
*The Finance Commission.*

THOMAS J. MURPHY,  
*Executive Secretary.*

# **FORMAL COMMUNICATIONS OF THE FINANCE COMMISSION IN 1970**

*February 23, 1970.* To THE HONORABLE THE MAYOR. Boston's debt picture as of January 1, 1970.

*March 9, 1970.* To THE HONORABLE THE MAYOR. Under revised policy of the United States Department of Housing and Urban Development on Real Estate and Credits the city may now recover in-lieu-of-tax revenue from certain BRA properties.

*March 18, 1970.* To THE COMMITTEE ON URBAN AFFAIRS. The Finance Commission to be recorded in favor of House Bill 3607 which provides for an Advisory Board to the Metropolitan District Commission.

*April 9, 1970.* To THE HONORABLE THE MAYOR. Lease arrangements between the Real Property Board and the operator of the St. James Avenue Off-street Parking Garage raise questions as to the procedures employed by the city in letting and subsequent administration of the lease.

*May 14, 1970.* To THE HONORABLE THE MAYOR. The parking meter program ought to be self-financing as contemplated in the enabling statutes.

*July 2, 1970.* To THE MAYOR AND SCHOOL COMMITTEE. A report on the administration of service orders for minor school building repairs with findings and recommendations.

*September 18, 1970.* To THE HONORABLE THE MAYOR. An analysis of Boston's 1970 tax rate.

*December 7, 1970.* To THE HONORABLE THE MAYOR. Salient points in the Special Report on Abandoned Buildings recently completed by the Finance Commission.

## BOSTON'S DEBT PICTURE AS OF JANUARY 1, 1970.

BOSTON, February 23, 1970.

*To the Honorable the Mayor.*

This is the Annual Debt Statement prepared by the Boston Finance Commission which presents the city's debt situation as of January 1, 1970.

During 1969 the City of Boston was required to appropriate \$26.9 million to pay the principal and interest on the city's debt. This was more than was budgeted for any department except two. It added \$16.80 to the tax rate, and therefore cost the owner of a house valued at \$5,000 an additional \$84 on his tax bill.

The city's large net debt has tripled in the last thirteen years, shooting from \$58.6 million in 1956 to over \$175 million at the close of 1969. It has increased by 85 percent since 1963, and by 23.7 percent in the past two years. It is now at the highest level in the history of the city.

In addition, there are \$136 million in loan authorizations, most if not all of which is due eventually to be added to the existing \$175 million figure. Boston's share of the MDC debt is approximately an additional \$105 million.

The Commission urges your office and the honorable Council to do their utmost to hold down this strain on city funds.

The attached tables present the debt picture in detail.

Table I shows the city's debt in recent years, the rise since 1956 and the sharp increase during the past six years.

Table II presents the list of purposes, and the amounts, for which loans have been authorized but not yet issued. Most of these projects will soon be carried out and debt issued for their funding.

Table III presents the detail of the city and county funded debt.

Table IV lists the purposes for which debt was issued in 1969 and the amounts.

Table V shows Boston's share in the Metropolitan District Debt covering the three divisions of the Metropolitan District Commission. The city shares heavily in the cost of these metropolitan activities but has no direct voice in their control.

Table VI presents the outstanding city debt as of December 31, 1969.

Respectfully submitted,

JOSEPH P. McNAMARA,  
RUSSELL S. CODMAN, JR.,  
FREDERICK R. H. WITHERBY,  
ARTHUR J. GARTLAND,  
*The Finance Commission.*

THOMAS J. MURPHY,  
*Executive Secretary.*

**TABLE I**  
**BOSTON'S NET DEBT AT YEAR END**  
**1956-1969**

1956 . . . . .	\$58,652,208	13
1957* . . . . .	70,832,868	95
1958 . . . . .	111,588,963	38
1959 . . . . .	103,413,775	81
1960 . . . . .	101,016,708	28
1961 . . . . .	96,618,165	71
1962 . . . . .	94,690,775	93
1963 . . . . .	94,993,030	40
1964 . . . . .	108,916,200	87
1965 . . . . .	111,054,863	89
1966 . . . . .	117,791,418	34
1967† . . . . .	142,190,169	82
1968 . . . . .	157,396,263	90
1969‡ . . . . .	175,752,949	91

---

\* A \$45,000,000 Funding Loan was provided in 1957 to meet a deficit in the Excess and Deficiency Account and an accumulation of overlay deficits due in large part to abatements granted.

† Boston's previous highest debt level, in the 1909-1967 span of years, was \$135,815,273 in 1933.

‡ Increased 85 percent over 1963.

**TABLE II**  
**LOANS AUTHORIZED BUT NOT ISSUED AS OF DECEMBER 31, 1969**

DATES OF ORDERS	Object	Inside Debt Limit	Outside Debt Limit
Oct. 19, 1954	Construction of Buildings, Original Equipment	\$5,750,000 00	
July 31, 1956	Off-street Parking Facilities		\$1,150,000 00
Aug. 20, 1957	Urban Redevelopment (West End)		2,000,000 00
Oct. 27, 1957	Municipal Auditorium		1,348 98
Dec. 22, 1958	New City Hall, Construction of		1,120 00
Dec. 2, 1963	Construction of School Buildings, Acquisition of Land		24,000,000 00
Jan. 21, 1964	Departmental Equipment (Hospital)	4,000 00	
April 15, 1964	Remodeling, Reconstruction and Extraordinary Repairs, Hospital (Acts of 1963, Chapter 752)		
Sept. 11, 1964	Urban Redevelopment (Waterfront)		200,000 00
Sept. 1, 1965	Urban Redevelopment (Charlestown)		4,000,000 00
Jan. 19, 1966	Urban Redevelopment (South End)		2,300,000 00
Feb. 2, 1966	Construction of Buildings, Acquisition of Land (School)		3,015,000 00
July 21, 1966	Off-street Parking Facilities		19,000,000 00
July 21, 1966	Construction of Buildings, Original Equipment	1,565,000 00	2,750,000 00
July 21, 1966	Construction of Buildings, Original Equipment	435,000 00	
May 17, 1967	Planning, Design, Acquisition of Land (Library)		15,900,000 00
May 17, 1967	Planning, Design, Acquisition of Land (Fire)		1,250,000 00
May 17, 1967	Planning, Design, Acquisition of Land (Parks and Recreation)		1,160,000 00
May 17, 1967	Planning, Design, Acquisition of Land (Traffic and Parking)		370,000 00
June 26, 1967	Urban Redevelopment (Washington Park)		3,925,000 00
June 26, 1967	Urban Redevelopment (Government Center)		1,305,000 00
Jan. 11, 1968	Planning, Design, Acquisition of Land (School)		3,500,000 00
May 8, 1968	Planning, Design, Acquisition of Land (Hospital)		11,000,000 00
May 8, 1968	Construction and Laying Aqueducts and Water Mains		1,300,000 00



May 8, 1968	Construction of Sidewalks							900,000 00	
Oct. 2, 1968	Extraordinary Repairs to Public Buildings							1,320,000 00	
Oct. 2, 1968	Planning, Design, Acquisition of Land (Civil Defense and Police)								600,000 00
Nov. 27, 1968	Urban Redevelopment (School — Franklin, Boylston-Essex)								3,107,000 00
Feb. 3, 1969	Urban Redevelopment (South Cove)								3,194,000 00
Feb. 10, 1969	Additional Departmental Equipment								
Feb. 10, 1969	Acquisition of Land, Public Parks and Playgrounds							2,300,000 00	
May 13, 1969	Construction of Sewers							490,000 00	
May 13, 1969	Construction of Bridges							1,500,000 00	
May 13, 1969	Remodeling, Reconstruction, Extraordinary Repairs, Suffolk County Courthouse Buildings							1,500,000 00	
May 13, 1969	Public Ways, Construction of							225,000 00	
May 13, 1969	Planning, Design, Acquisition of Land (Parks and Recreation)							2,000,000 00	
May 13, 1969	Planning, Design, Acquisition of Land (Police)								40,000 00
May 13, 1969	Planning, Design, Acquisition of Land (Library)								1,800,000 00
May 13, 1969	Planning, Design, Acquisition of Land (Public Works)								2,200,000 00
June 4, 1969	Urban Redevelopment (South Station)								300,000 00
June 25, 1969	Construction of Recreation Buildings with Swimming Pools							1,355,000 00	
June 25, 1969	Urban Redevelopment (St. Botolph Street Elderly Housing)								390,000 00
July 29, 1969	Remodeling, Reconstruction, Extraordinary Repairs, City Hall Annex (School)							2,200,000 00	
Aug. 4, 1969	Traffic Signals Installation							200,000 00	
	Inside							\$21,744,000 00	
	Outside							114,261,468 98	
								<u>\$136,005,468 98</u>	





TABLE V

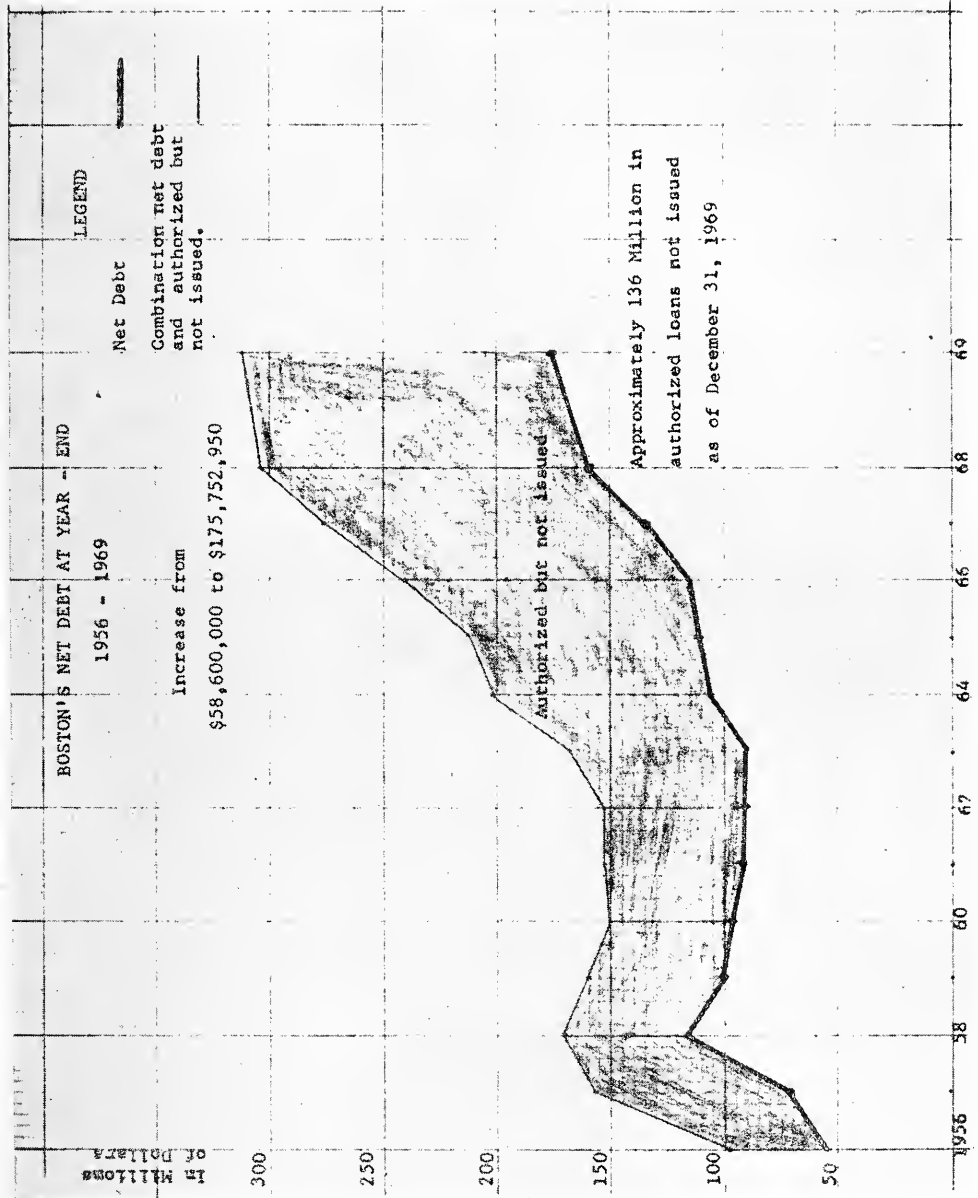
## METROPOLITAN NET DEBT, BOSTON'S SHARE

	1968	1969
Sewer . . . . .	\$16,301,108 60	\$32,856,775 76
Water . . . . .	60,473,621 96	58,737,964 09
Park . . . . .	12,951,525 63	13,188,788 82
Total . . . . .	\$89,726,256 19	\$104,783,528 67

TABLE VI

## OUTSTANDING CITY DEBT (RAPID TRANSIT EXCLUDED), DECEMBER 31, 1969

	Outstanding Dec. 31, 1968	Issued 1969	Canceled 1969	Outstanding Dec. 31, 1969
Bridges, Miscellaneous . . . . .	\$3,390,000	\$1,000,000	\$385,000	\$4,005,000
Funding Loan . . . . .	22,000,000	—	2,250,000	19,750,000
Miscellaneous:				
Parking Facilities . . . . .	10,590,000	500,000	835,000	10,255,000
Departmental Equipment . . . . .	4,260,000	700,000	1,270,000	3,690,000
Extraordinary Repairs . . . . .	10,365,000	1,350,000	1,600,000	10,115,000
Long Island Viaduct . . . . .	439,000	—	80,500	358,500
Permanent Housing Vets World War II . . . . .	450,000	—	350,000	100,000
Urban Redevelopment . . . . .	16,535,000	10,500,000	1,040,000	25,995,000
Automatic Traffic Control Signals . . . . .	—	50,000	—	50,000
Municipal Auditorium . . . . .	4,805,000	—	185,000	4,620,000
Municipal Relief . . . . .	7,100,000	4,600,000	6,300,000	5,400,000
New City Hall . . . . .	22,540,000	—	840,000	21,700,000
Public Buildings, Excluding Schoolhouses . . . . .	12,751,000	13,550,000	1,134,500	25,166,500
Schoolhouses and Sites . . . . .	15,090,000	5,000,000	1,195,000	18,895,000
Sewers, Miscellaneous . . . . .	7,863,000	1,650,000	701,000	8,812,000
Streets:				
Public Ways, Construction of . . . . .	13,370,000	3,500,000	2,185,000	14,685,000
Sidewalks . . . . .	575,000	500,000	175,000	900,000
Water, Miscellaneous . . . . .	895,000	700,000	90,000	1,505,000
Public Welfare:				
Note in Anticipation of Permanent Debt (Municipal Relief) . . . . .	4,600,000	—	4,600,000	—
Total . . . . .	\$157,618,000	\$43,600,000	\$25,216,000	\$176,002,000



UNDER REVISED POLICY OF THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ON REAL ESTATE AND CREDITS CITY MAY NOW RECOVER IN LIEU OF TAX REVENUE FROM CERTAIN BRA PROPERTIES.

BOSTON, March 9, 1970.

*To the Honorable the Mayor.*

A new area of tax revenue has now been made available to the city.

The United States Department of Housing and Urban Development has recently revised its policy and requirements on real estate and credits, as a result of which certain property not now taxed may become tax-producing.

These are areas of cleared land in urban renewal projects in temporary use as off-street parking lots.

The Finance Commission, in studying the HUD handbook, has discovered that the City Assessor may now assess, and an "in-lieu-of-tax" payment can be made, or applied as a credit, on certain cleared or unimproved land in urban renewal areas during its temporary usage.

The HUD handbook regulation on this point reads as follows:

"A tax payment, payment in lieu of taxes, or tax credit is not eligible on a property which, on the tax levy date, was owned by the LPA and was not improved with a building. However, a tax payment, payment in lieu of taxes, or tax credit is eligible on *cleared or unimproved* land which is being put to a *temporary use* when (1) the tax payment or payment in lieu of taxes is required or permitted by State or local law or the tax credit is otherwise payable, and (2) the *income to the urban renewal project during the use* is equal to or greater than the amount of the tax payment, payment in lieu of taxes, or tax credit. Under no circumstances shall the payments exceed the amount of taxes which would be paid on the property if it were privately owned and assessed in the conventional manner for the community involved. Such payments will be limited to the *exact period of*

*time during which the project is receiving income from the temporary use* and if a portion of a tax year is involved the payments will be made on a prorated basis."

Italics added

LPA = Redevelopment Authority

HUD Urban Renewal Handbook RHA 7211.1 Property Management — Chapter 4

As of February 2, 1970, the BRA had approximately 500,000 square feet of land under lease which would apparently fall in this category. The locations of these parcels are as follows:

## PARKING LOTS

PROJECT	Location	Area in Square Feet
West End UR Mass. 2-3	Staniford Street, Lomasney Way . . . . .	142,000
Government Center Mass. R-35	Union, Blackstone, and Hanover Streets . . . . .	26,334
	8 Faneuil Hall Square . . . . .	1,400
	72-118 Union Street . . . . .	25,893
Charlestown Mass. R-55	47-51 Tremont Street, corner of Edgeworth Street . . . . .	4,174
	55-71 Ferrin Street, 40-42 Ferrin Street . . . . .	12,046
	30 Lowney Way, 77-81 Tremont Street . . . . .	13,522
	42-58 Chelsea Street, 16-20 Call Street, 35-37 Chelsea Street . . . . .	11,015
South End Mass. R-56	498 Albany Street . . . . .	48,000
	17 Clarendon Street . . . . .	11,500
	Cobb and Mayo Streets, and Shawmut Avenue . . . . .	14,500
Waterfront Mass. R-77	122-124 Commerce Street, West Side Atlantic Avenue . . . . .	4,000
Central Business District Mass. R-82	5-21 Boylston Street . . . . .	10,250



South Cove Mass. R-92	47-53 Hudson Street, 48-52 Tyler Street . . . . .	9,798
	281 Tremont Street . . . . .	4,668
	260 Tremont Street . . . . .	4,979
	207 Harrison Avenue . . . . .	2,100
	120 Tyler Street . . . . .	6,016
	Hudson, Tyler, Oak and Curve Streets . . . . .	18,415
	121-141 Tyler Street, 232-252 Harrison Avenue . . . . .	24,795
	38-42 Shawmut Avenue, 30-42 Warrenton Street . . . . .	2,230
	14-22 Stuart Street, 715-735 Washington Street, 7-13 Dore Street . . . . .	12,708
	162-168 Harrison Avenue . . . . .	5,789
	170 Harrison Avenue . . . . .	1,540
	Hollis and Common Streets and Marginal Road . . . . .	22,560
	Rear 230-246 Stuart Street . . . . .	6,400
	200-210 Stuart Street, 45 Broadway . . . . .	9,807
	69-71 Broadway, 3 Piedmont Street, 4-6 Shawmut Street . . . . .	5,830
Fenway Mass. R-115	5-11 Haviland Street . . . . .	15,128

If the provisions of this regulation are taken advantage of, substantial tax revenue should be forthcoming to the city. The Finance Commission, therefore, recommends that the city, through its Commissioner of Assessing, explore this situation and proceed to take full advantage of this new provision of the federal regulations.

Respectfully submitted,

JOSEPH P. McNAMARA,  
RUSSELL S. CODMAN, JR.,  
FREDERICK R. H. WITHERBY,  
ARTHUR J. GARTLAND,  
*The Finance Commission.*

THOMAS J. MURPHY,  
*Executive Secretary.*

**THE FINANCE COMMISSION TO BE RECORDED IN FAVOR  
OF HOUSE BILL 3607 WHICH PROVIDES FOR AN  
ADVISORY BOARD TO THE METROPOLITAN DISTRICT  
COMMISSION.**

BOSTON, March 18, 1970.

*To the Committee on Urban Affairs.*

The Boston Finance Commission wishes to be recorded in favor of House Bill 3607 which provides for an Advisory Board to the Metropolitan District Commission.

Although this proposal has been made repeatedly in the past without success, the environment is different now. Today there is an unprecedented awareness of the need for participation by municipalities in the metropolitan area on matters which are metropolitan in character. In fact, several legislative proposals providing for a metropolitan approach have been filed in this session.

Boston's experience with MDC assessments has been unfortunate. The spectacular increase in MDC assessments levied on Boston is shown in the following table. These assessments have increased by 75 percent in the past five years, and about 500 percent in the past twenty-five years.

**MDC ASSESSMENTS LEVIED ON BOSTON**

<b>1945</b>	.	.	.	.	.	.	.	.	<b>\$851,850</b>
<b>1950</b>	.	.	.	.	.	.	.	.	<b>1,783,928</b>
<b>1960</b>	.	.	.	.	.	.	.	.	<b>2,453,755</b>
<b>1965</b>	.	.	.	.	.	.	.	.	<b>2,336,414</b>
<b>1969</b>	.	.	.	.	.	.	.	.	<b>3,234,107</b>
<b>1970</b>	.	.	.	.	.	.	.	.	<b>4,090,836</b>

The provisions of this bill would be a first step in the direction of giving the metropolitan communities a sense of participation in meeting metropolitan problems in the areas of parks and recreation, water and sewer services. One advantage of the bill is that it provides merely a vehicle of expression available to the several communities. It does not change the present administrative organization of the MDC nor the independent status of the latter. It is simply an advisory council. If subsequent legislation is passed which would set up a council of govern-

ments or some new regional structure, then the position of an advisory council would have to be re-examined. But until that day arrives, an advisory council to the MDC appears to be sorely needed.

The MDC is unique in that costs are imposed on municipalities in the metropolitan area without the approval or involvement of the municipalities in the decisions.

There has always been the need for such an advisory council; there is now a new awareness of that need and a general sentiment for some kind of metropolitan approach to metropolitan problems.

Respectfully submitted,

JOSEPH P. McNAMARA,  
 RUSSELL S. CODMAN, JR.,  
 FREDERICK R. H. WITHERBY,  
 ARTHUR J. GARTLAND,

*The Finance Commission.*

THOMAS J. MURPHY,  
*Executive Secretary.*

LEASE ARRANGEMENTS BETWEEN THE REAL PROPERTY BOARD AND THE OPERATOR OF THE ST. JAMES AVENUE OFF-STREET PARKING GARAGE RAISE QUESTIONS AS TO THE PROCEDURES EMPLOYED BY THE CITY IN LETTING AND SUBSEQUENT ADMINISTRATION OF THE LEASE.

BOSTON, April 9, 1970.

*To the Honorable the Mayor.*

Recent disclosures concerning lease arrangements between the City of Boston Real Property Board and the operator of the St. James Garage in Back Bay raise substantial questions as to the particular procedures employed by the city in connection with the letting and subsequent administration of the lease in question.

An examination of the lease and related documents confirms that the lease for the St. James Garage facility was issued on June 1, 1969 for a period of two years, after compliance with public bidding requirements.<sup>1</sup> The rate schedule which was made a part of the bidding documents and the lease itself provided for a rate of 40 cents for the first hour and 20 cents for each subsequent half-hour with a 12-hour maximum charge of \$3.60.

Shortly after issuance of the lease, however, on July 7, 1969, with the permission of the Real Property Board and apparently pursuant to a clause in the lease which provided that the rates established in the lease might be changed upon "prior written order of the Board," the rate schedule was modified so that the half-hour rates were increased across the board to 40 cents and the maximum daily charge was reduced from \$3.60 to \$3.00.

Such a comprehensive revision in parking rates so soon after the issuance of a lease in itself is open to question. In addition, however, such a practice would seem to violate the provisions of the Acts of 1948, chapter 612, which set forth the powers of the Real Property Board to enter into parking leases and expressly requires:

"(T)hat every lease shall contain schedules of *maximum* rates to be charged by the lessee for the

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<sup>1</sup> The winning bid of one Bernard O'Reilly d/b/a South East Realty was \$360,792 per annum. The next highest bid of Commercial Industries, Inc., was \$261,469. The only other bid was for \$227,500.77. It was submitted by Stuart Parking Company, the former lessee of the garage.

use by the public of the property thereby demised and . . . that no lease shall be *modified* or cancelled . . . ." (Emphasis supplied.)

It would seem that these requirements were disregarded in this case. Moreover, the clause in the lease itself which purports to allow adjustments in parking rates during the lease term would seem to be illegal.

The Commission has been advised that similar clauses will be included in leases which the Real Property Board intends to put out for bidding in 1970. Aside from the legal objections we have noted, in our opinion the practice of including such a provision in any lease is fundamentally incompatible with the purposes of the competitive bidding process and invites abuse.

We believe that such provisions should be eliminated from current bidding documents and that in the instance of the St. James Garage lease (and other leases, if any, where such clauses are found) action taken pursuant to the provision should be revoked.

This unfortunate incident in our judgment raises certain broader questions relating to city transportation policy as a whole. For many years the Finance Commission has urged the city to adopt and pursue a public garage policy which will favor the use of its public garage facilities by short-term parkers — businessmen and shoppers alike. The livelihood of the downtown retail areas, especially the central business district and the Back Bay retail district, demands an official parking policy which will permit out-of-town shoppers to leave their vehicles while they visit local retail establishments. Such a policy depends upon a parking rate structure which will be sufficiently low so as to encourage the short-term parker and discourage the all-day commuter. In 1966 the Finance Commission conducted an investigation of the fee structures in public garage facilities throughout the city and noted: "(T)hat the primary function of "downtown" garages is to service the short-term parker and only incidentally the all-day parker (and) that the economy of the city is best served through the establishment of garages located close to business and mercantile areas and offering a parking fee structure which favors short-term

parking.” Later in that same report the Commission stated that “The thrust of the rate structure . . . should be to stem the tide of suburbanites who leave their cars all day and constitute in large part the twice-a-day traffic crush.” See *Annual Report To The Legislature For 1966*, pages 117, 120. It is the Commission’s opinion that this approach to the use of public garage facilities is correct and relevant today. The recent modifications to the St. James Garage lease, however, are incompatible with the public parking policy we have recommended. We believe it to be in order to ask whether the Real Property Board in this case or indeed as a matter of general policy is pursuing in their current plans and in their future programs the over-all public parking policy which we favor.

We respectfully suggest that the time has come, indeed it is long overdue, for the city to adopt a comprehensive transportation policy and fix the administration of that policy within a department which will have the authority and the capacity to implement that policy. In addition to the over-all management of city streets and the preparation of public transportation programs, we believe that the responsibility for the development and administration of public parking facility programs should be vested within such a department. The Commission is currently considering a Home Rule Petition filed and pending in the Boston City Council to establish a department of transportation within the City of Boston. The Commission plans to report on the proposal.

Without regard to the merits of this proposal, however, the Commission feels that the failure of that proposal to vest responsibility for the administration of public garage facilities in such a proposed department is a serious omission and defect in the proposal as it now stands. A revision in this proposal which would transfer this function from the Real Property Board to the new department of transportation would seem to be in order.

The Finance Commission urges that immediate action be taken in three areas of this expanding municipal function of off-street parking — viz., leasing, rate policy and organization.

Several city-owned garages are due for re-leasing in the near future; the 1,800-car-space Government Center Garage will open soon; more garages are planned by the city.

A clear municipal policy with respect to the parking rate structure at the several garages as between short-term and all-day parking should be established.

The location of the off-street parking function in its proper organization slot for most effective results in an integrated parking program must be determined.

Respectfully submitted,

LAWRENCE T. PERERA, *Chairman*,  
 JOSEPH P. McNAMARA,  
 RUSSELL S. CODMAN, JR.,  
 FREDERICK R. H. WITHERBY, ESQ.,  
 ARTHUR J. GARTLAND,  
*The Finance Commission.*

THOMAS J. MURPHY,  
*Executive Secretary.*



# THE PARKING METER PROGRAM OUGHT TO BE SELF-FINANCING AS CONTEMPLATED IN THE ENABLING STATUTES.

BOSTON, May 14, 1970.

*To the Honorable the Mayor.*

Although the primary purpose of the parking meters is to achieve the most effective and equitable allocation of the curbside parking supply<sup>1</sup> and not to produce revenue, the program ought to be self-financing, as contemplated in the enabling statutes.

Nevertheless, in recent years, parking meter revenue and the cost of the parking meter program have been moving in opposite directions.

Between 1966 and 1969 parking meter receipts dropped from \$963,307 to \$848,709. During the same period, appropriations for the operation and maintenance of the program in the Traffic and Parking Department increased from \$247,008 to \$696,820. In other words, while the receipts were dropping off by 12 percent, the cost of the parking meter program almost tripled in amount. It is only fair to point out, however, that during this period the parking meter program has undergone substantial expansion. For example, the original corps of thirteen parking meter supervisors (meter maids) has been increased to seventy and towing operations are about to get underway in 1970.

When the costs of the parking meter program outstrip the meter revenue, assuming that the purposes of the parking meter program are still sound, it is time to look for increased revenue. This means, in effect, increasing the current parking meter rate.

The meter rate has remained stationary at 10 cents per hour for the past nine years in the in-town area — a period of general inflation and a period of increased costs in the operation of the program.

This failure of the meter revenue to meet the costs of the program is a new development. For fifteen years there was always sufficient meter revenue from parking fees not only to meet the current cost of the program but

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<sup>1</sup> See Study and Recommendations of the Automotive Safety Foundation (1961).

also to make available substantial funds for related parking functions.

Parking meter enabling legislation clearly contemplates the generation of sufficient revenue both for the maintenance of the program and for related parking and traffic purposes. (See excerpts from the General Laws contained in Appendix A of this report.) It seems to us desirable to try to continue to maximize the benefit derived from the revenues consistent with the overall objectives of a rational traffic and parking program.

The related purposes for which parking meter revenues may be applied include:

- (a) Purchase of parking meters.
- (b) Installation of parking meters.
- (c) Maintenance of parking meters.
- (d) Operation of parking meters.
- (e) Policing of parking meters (including meter maids).
- (f) Snow removal at parking meters.
- (g) Acquisition of off-street parking facilities.
- (h) Policing of off-street parking facilities.
- (i) Construction of off-street parking facilities.
- (j) Reconstruction of off-street parking facilities.
- (k) Surfacing of off-street parking facilities.
- (l) Operation of off-street parking facilities.
- (m) Maintenance of off-street parking facilities.
- (n) Financing debt and interest on off-street parking facilities.
- (o) Provision for an in-lieu-of-tax payment on the assessed value of off-street parking facilities.

The following table shows the deterioration in parking meter revenue in recent years. It should be noted that whereas parking meter fees in 1966 provided \$595,000 for

redemption of off-street parking debt, in 1967, an amount of \$645,000 was available, and in 1968 \$500,000 was available for this purpose. In 1969, however, no appropriation was made for this purpose.

YEAR	Parking Meter Receipts	Appropriation to Parking Meter Program <sup>1</sup>	Appropriation to City Debt Redemption (Off-street Parking Facilities)
1966	\$963,306 66	\$247,008 00	\$595,000 00
1967	947,145 85	321,267 70	645,000 00
1968	863,337 44	393,993 00	500,000 00
1969	848,709 20	696,820 00	None

<sup>1</sup> Appropriation to Parking Meter Program includes a variety of costs including: meter maids, collectors, and other collecting costs, repairs to equipment, *et al.* It does not include acquisition and installation of meters; figures in this area are found in the detailed table in Appendix B of this report.

As the above table demonstrates, the cost of the parking meter program has risen sharply in recent years. The 1969 appropriation figure of \$696,820, accordingly, has been increased to \$848,357 for 1970, and there is little likelihood indeed that there will be any revenue surplus generated for the additional purposes we have described above.

In summary, the Finance Commission emphasizes that:

(1) The costs of the parking meter program are increasing sharply.

(2) Parking meter receipts as of the end of 1969 continue a downward trend and are not sufficient to support the meter program itself and supply funds for other related purposes contemplated in the General Laws.

(3) If the parking meter program is to be financed as contemplated in the enabling statutes, a higher level of parking meter receipts must be realized and this is possible only by increasing the curb parking meter rate.<sup>2</sup>

<sup>2</sup> A recommendation originally made in 1961 by the Automotive Safety Foundation might be seriously evaluated in this connection. That recommendation called for the widespread use of "30-minute parking" to fit the specific needs of various locations. This, in itself, would increase meter revenue and achieve the best allocation of curb parking supply, a valuable and limited commodity.

The Finance Commission, therefore, urges the city to seriously consider an increase in the hourly rate for curb metered parking in the in-town area.

Respectfully submitted,

LAWRENCE T. PERERA, *Chairman,*  
JOSEPH P. McNAMARA,  
RUSSELL S. CODMAN, JR.,  
FREDERICK R. H. WITHERBY, ESQ.,  
ARTHUR J. GARTLAND,  
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THOMAS J. MURPHY,  
*Executive Secretary.*

## APPENDIX A

## Chapter 40, General Laws —

Section 22A. Installation and Operation of Parking Meters; Use of Advertising Purposes Forbidden; No Fee or Penalty when.

Any city or town, for the purpose of enforcing its ordinances, by-laws and orders, rules and regulations relating to the parking of vehicles on ways within its control and subject to the provisions of section two of chapter eighty-five, may appropriate money for the acquisition, installation, maintenance and operation of parking meters, or by vote of the city council or of the town may authorize a board or officer to enter into agreement for such acquisition, installation or maintenance of parking meters; provided, that the city of Boston, for the purpose of enforcing the rules and regulations adopted by its traffic and parking commission, or promulgated by its commissioner of traffic and parking, under chapter two hundred and sixty-three of the acts of nineteen hundred and twenty-nine, may appropriate money for the acquisition, installation, maintenance and operation of parking meters, or, by vote of the city council of said city, subject to the provisions of its charter, may authorize the traffic and parking commission of said city to enter into agreements for the acquisition, installation or maintenance of parking meters. An agreement for the acquisition or installation of parking meters may provide that payments thereunder shall be made over a period not exceeding five years without appropriation from fees received for the use of such parking meters notwithstanding the provisions of section fifty-three of chapter forty-four. *Such fees shall be established and charged at such rates that the revenue therefrom shall not exceed in the aggregate the necessary expenses incurred by such city or town for the acquisition, installation, maintenance and operation of parking meters and the regulation of parking and other traffic activities incident thereto.* (Emphasis supplied.)

**Section 22B. Off-Street Parking Areas, etc.; Acquisition and Maintenance; Use of Proceeds from Parking Meters.**

Any city or town having installed parking meters may acquire off-street parking areas and facilities by purchase, gift, eminent domain under chapter seventy-nine or chapter eighty A, by lease not to exceed five years, or otherwise, and may pay for such acquisition or lease, including the cost of policing, constructing or reconstructing, surfacing, operating and maintaining such areas and facilities, and including any debt together with interest thereon incurred for such acquisition, in whole or in part from any receipts from said parking meters and may in each year transfer or pay into its general funds from said receipts a sum or sums in lieu of taxes for the year in question upon the average assessed valuation of said areas and facilities for the three years immediately prior to the date of said acquisition, determined by multiplying each one thousand dollars of such average valuation or fraction thereof by the tax rate set for said city or town for that year. . . .

**Section 22C. Parking Meters in Off-Street Parking Areas; Installation and Use of Receipts therefrom.**

Any city or town, having installed parking meters under the provisions of section twenty-two A, may install parking meters in municipally owned off-street parking lots and other devices for controlling such off-street parking lots, and may use any receipts from parking meters and other devices so installed for the purpose of purchase of additional parking lots, the care and maintenance of the same, and in general for any traffic control or traffic safety purpose, including payment for public liability coverage in connection with the use of said municipally owned off-street parking lots.

## APPENDIX B

## USE OF PARKING METER RECEIPTS

Balance Carried Forward to January 1, 1966, \$232,711.02

## 1966

Parking Meters, Acquisition and Installation of . . . . .	\$50,570 02
Traffic and Parking Department . . .	217,008 00
Traffic and Parking Department . . .	30,000 00
City Loans, Redemption of . . . . .	595,000 00
Parking Meters, Acquisition and Installation of . . . . .	65,017 81
Parking Meters, Acquisition and Installation of . . . . .	59,898 95
Parking Meters, Acquisition and Installation of . . . . .	63,520 47

Balance Carried Forward to January 1, 1967, \$114,495.95

## 1967

Traffic and Parking Department . . .	\$321,267 70
Parking Meters, Acquisition and Installation of . . . . .	59,152 15
Parking Meters, Acquisition and Installation of . . . . .	62,361 55
City Loans, Redemption of . . . . .	645,000 00
Parking Meters, Acquisition and Installation of . . . . .	55,928 10

Balance Carried Forward to January 1, 1968, \$79,371.50  
(red)

## 1968

City Loans, Redemption of . . . . .	\$500,000 00
Traffic and Parking Department . . .	381,368 00
Unliquidated Reserve, 1968 . . . . .	14,625 00

Balance Carried Forward to January 1, 1969, \$120,734.92  
(red)

## 1969

Traffic and Parking Department . . .	\$696,820 00
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Balance Carried Forward to January 1, 1970, \$37,073.52

A REPORT ON THE ADMINISTRATION OF SERVICE ORDERS  
FOR MINOR SCHOOL BUILDING REPAIRS WITH FIND-  
INGS AND RECOMMENDATIONS.

BOSTON, July 2, 1970.

*To the Mayor and School Committee.*

This is a report on the administration of service orders for minor school building repairs by the School Committee of the City of Boston, Department of Planning and Engineering (hereinafter referred to as the Department of Planning and Engineering), and contains findings and recommendations pertinent thereto.

School building contracts usually involve either (a) construction of new buildings, or (b) the alteration and repair of existing structures. Repair work can be subdivided into two categories: (1) major repairs, and (2) minor repairs. Minor repair jobs not exceeding \$2,000 in cost constitute the subject matter of this report.

Section 30 of chapter 486 of the Acts of 1909, which is a provision of the City Charter, requires that every department of the City of Boston and County of Suffolk "when about to do any work or make any purchase the estimated cost of which . . . amounts to or exceeds two thousand dollars, shall . . . invite proposals therefor by advertisements in the City Record." In addition, over the years, standard practices for administering the letting of contracts for amounts less than \$2,000 have been developed. For example, the City Auditor requires any department to invite three informal bids in the case of all contracts in the \$500 to \$2,000 range. If a department fails to get three such bids, the failure must be satisfactorily explained in writing before the City Auditor will approve the transaction. This practice was formalized in a mayoral directive promulgated on February 21, 1956 by Mayor John B. Hynes, and this policy has been observed by city departments ever since.

The Department of Planning and Engineering exceeds the standards of this directive by virtue of a long standing policy of over thirty years, which requires that in the case of contracts between \$300 and \$2,000 in size, five informal bids are invited and a minimum of three informal



bids are required, except in cases where the work required to be performed is of an "emergency" nature. When less than three bids are received, a letter of explanation, as previously mentioned, is sent to the City Auditor.

### SCHOOL SERVICE ORDERS

Several months ago, the Finance Commission, in response to requests from various sources, undertook an examination of procedures in the Department of Planning and Engineering with respect to the issuance of contracts for school building repair work not exceeding \$2,000 in cost (hereinafter referred to as "service orders"). This inquiry had two objectives: (1) to determine if any individual contractors were unduly favored in the distribution of school building repair work, and (2) to determine how present service order procedures and policies might be improved.

The Finance Commission study included a comprehensive review and analysis of 1,224 service orders issued in October, 1968, and October, 1969. (A third test period of August and September, 1969, was also used for specialized purposes described in paragraph 2 of the findings.) These two sample months were selected after it was determined that October is a month in which a very substantial amount of service order work is customarily performed. Each service order was initially analyzed and then classified according to certain criteria, i.e., (a) the name of the contractor; (b) the nature and scope of work; (c) the date of the order; (d) whether the order involved an expenditure under \$300 (a large part of the volume), and if so, whether it could be described as routine or emergency in nature; and (e) in the case of service orders involving expenditures in excess of \$300 (requiring invitational bidding, except in emergency), the following additional information was secured: (1) whether invitational bids were secured or an emergency relied on; (2) the location where the work was done; (3) the date of performance; (4) the amount of the invoice submitted by contractor; (5) the departmental estimate of the cost of the work to be done; and (6) payment broken down by

the date liquidated and the amount paid to the contractor.

This data has been summarized in tables which appear in the Appendix and form the basis for the following findings and recommendations.

## FINDINGS

1. A total of 1,224 service orders were issued during October of 1968 and 1969, the months selected for analysis. In our judgment, this constitutes an excessive volume of service orders and calls for drastic measures which will reduce volume and related costs. These costs not only include contractor's charges but also the cost of excessive clerical work. See Appendices 3 and 6.

2. During the sample periods studied, a substantial number of different contractors were used to perform service order repair work. During October of 1968, a total of 129 contractors were used to handle 512 service orders; during the month of October, 1969, a total of 150 contractors were used to handle 712 orders. See Appendices 4 and 7. Despite this substantial participation, the Department of Planning and Engineering is seeking the names of additional contractors not now listed who have valid work experience and are both available and willing to perform repair work when and where needed. To help satisfy this objective, the Finance Commission prepared a questionnaire to prospective contractors designed to elicit responses indicating whether they had been previously solicited to perform service order repair work and whether they would in fact be interested in performing such work. See Appendix 9. This questionnaire was sent to 287 contractors; 161 responded. Eventually, a list was compiled of 106 contractors interested in service order work, none of whom have done repair work for the city. See Appendix 10. This list will be turned over to the Department of Planning and Engineering, and should help materially in providing a greater reservoir of available contractors to draw from. It should also assist in the letting of contracts for various types of work on a

district and unit price basis, and promote immediate response where speed is of the essence.

3. The service order data for the sample periods was carefully analyzed and this information was supplemented by numerous discussions with various officials to determine whether any contractor had been unduly favored in the awarding of service order contracts. Since the controversy which prompted this study has spotlighted the R. & L. Construction Company, a special effort was made to note the experience of that company with respect to the awarding of service order contracts. Since no service orders were given to the R. & L. Construction Company during the month of October, 1969, which, together with October, 1968, were the two sample time periods initially studied, a special third sample period consisting of August and September, 1969, was established and the respective relative records of the six contractors, which had otherwise received the biggest percentage of service orders for carpentry, including the R. & L. Construction Company, were scrutinized during the period.<sup>1</sup> See Appendix 1. In addition, the overall amounts paid to the six primary contractors during 1968 and January to August, 1969, were compared. See Appendix 2.

*A. Test Period Results.* The results show that the total dollar amount of carpentry work awarded to individual contractors varied in October, 1968, from a low of \$1,069.84 (to Grant Construction Company) to a high of \$5,615.40 (to J. Palumbo). In this month, R. & L. Construction Company received service order work worth \$4,827.29, the second largest amount of work given to any contractor. In August and September, 1969, the spread in total amounts awarded to individual contractors varied from a low of \$3,100 (Grant Construction) to a high of \$10,629.80 (to J. Palumbo). During this period, R. & L. Construction Company received service order work worth \$9,500, the second largest amount of work given to any contractor. See Appendix 1. In the October 1959

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<sup>1</sup> Since substantially all of the service order work performed by R. & L. Construction Company involved carpentry work, this category of work was especially selected for the comparative analysis.

test period, R. & L. Construction Company performed no service order repair work because of pending legal action.

In summary, during two out of three of the test periods used to compare the relative amounts of service order work awarded to primary carpentry contractors, R. & L. Construction Company received the second largest dollar volume of work.

*B. Total Monies Paid to Primary Contractors.* The comparative study of total monies paid to the six primary contractors during 1968 and January to August, 1969, reflects a considerable spread. In 1968, total awards varied from a low of \$12,616.65 (R. Gillcrist) to a high of \$97,321.28 (J. Palumbo). In 1969, the spread ranged from a low of \$4,867.76 (Grant Construction Company) to a high of \$52,545.16 (to R. & L. Construction Company). See Appendix 2.

Our analysis shows that in the two of the three test periods in which R. & L. Construction Company performed work, it received the second largest amount of service orders. In addition, according to our calculations, during the period January to August, 1969, R. & L. Construction Company received more service order work by dollar volume than any other contractor.<sup>1</sup> We did not find any evidence that R. & L. Construction Company had obtained service order work by improper means or obtain other information that would justify us in concluding that wrongdoing was involved.

It should be noted, however, that since the initiation of our study a civil suit was filed by the City of Boston in the Superior Court against two principals of the R. & L. Construction Company for violation of General Laws, chapter 268A (The Conflict of Interest Statute). This suit was settled by mutual consent outside of court, whereby the city recovered twice the minimum recovery allowed under said law from each principal;

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<sup>1</sup> It came to our attention that during this test period R. & L. Construction Company was willing to undertake repair work in all districts of the city and offered a unit price for window sash work (which constituted a large part of the work performed that period) lower than the other primary contractors.

the principals have now resigned as municipal employees and R. & L. Construction Company is now free to do business with the city.

4. The volume of service order work described as "emergency" in nature and therefore processed without solicitation of informal bids is disturbingly high. In our opinion, the "emergency" designation must be limited to situations where a clear and present threat exists to the health and safety of the pupils or the continued functioning of the building concerned. See Appendices 5 and 8.

5. Certain types of repair work, we found, were repeated many times during the time periods studied. For example, ninety-four lock and a very substantial volume of furniture repairs occurred in these two months. Such repair work now is handled by private contractors who must charge for time and overhead on each of these repairs. Since most of this multiple-repeat repair work is of a minor character requiring only a small inventory of parts and material with a relatively high labor quotient it is strongly suggested that a small repair staff could perform such repairs more effectively and at a lower cost than is presently the experience with private contractors. If the recruitment of a staff of competent mechanics proves too difficult, such work should at least be put on a unit and district basis whereby prices for repair materials and procedures would be settled in advance by schedule and agreed upon by the contractors available to perform these repairs in the various sections of this city.

### RECOMMENDATIONS

1. We strongly suggest that serious consideration be given to the recruitment of a small repair staff to undertake repair work of a frequently occurring nature now performed by private contractors as described in Paragraph 5 of our findings.

2. We urge the School Committee to consider the use of custodial staff to handle certain repairs of a routine and minor character.

3. Although the number of contractors used in school repair work did increase in 1969 over 1968, the Department of Planning and Engineering should further expand its circle of available contractors by using the additional list of 106 firms compiled by the Finance Commission, which will be sent to the Department of Planning and Engineering.

4. The designation "emergency" as applied to school building repair work should be strictly defined to mean only those cases in which a threat to health, safety, or continuation of schoolroom operation is involved.

5. The bulk of repair work should be set up on a district basis for unit price bidding by contractors. Glass replacement is already set up satisfactorily on such a basis. Unit price, as understood, means a bid by a contractor for a basic unit of labor and materials for any of the categories of repair.

Respectfully submitted,

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 JOSEPH P. McNAMARA,  
 RUSSELL S. CODMAN, JR.,  
 FREDERICK R. H. WITHERBY, ESQ.,  
 ARTHUR J. GARTLAND,  
*The Finance Commission.*

THOMAS J. MURPHY,  
*Executive Secretary.*

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1. More Frequently Used Contractors in the Carpentry Category.
2. Total Monies Paid Selected Contractors (for all categories).
3. Summary of Contractors — October of 1968.
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6. Summary of Contractors — October of 1969.
7. Summary of Work Orders by Category for October of 1969.
8. Resumé of Work Orders Under \$300 and Over \$300 by Category for October of 1969.

# APPENDIX 1

## MORE FREQUENTLY USED CONTRACTORS IN THE CARPENTRY CATEGORY

CONTRACTOR	Type Work	October, 1968		August, September, 1969		October, 1969
		Total Orders	Total Money	Total Orders	Total Money	
Grant Construction Company	Under \$300	4		13		7
	Over \$300 — Under \$2,000	1		2		1
	Total	5	\$1,069 84	15	\$3,100 00	8
J. Palumbo	Under \$300	5		19		10
	Over \$300 — Under \$2,000	4		6		3
	Total	9	5,615 40	25	10,629 80	13
P. J. O'Donnell	Under \$300	4		4		3
	Over \$300 — Under \$2,000	3		8		2
	Total	7	1,809 99	12	7,416 80	5
R & L Construction Company	Under \$300	16		27		*
	Over \$300 — Under \$2,000	5		8		
	Total	21	4,827 29	35	9,500 00	
R. Gillerist	Under \$300	47				57
	Over \$300 — Under \$2,000	—				—
	Total	47	1,216 40			57
J. F. Hynes	Under \$300	4		22		15
	Over \$300 — Under \$2,000	1		3		3
	Total	5	1,260 25	25	4,758 00	18

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\* No orders issued to R & L Construction Company after September of 1969.



## APPENDIX 2

## TOTAL MONIES PAID SELECTED CONTRACTORS (FOR ALL CATEGORIES)

CONTRACTOR	1968	1969 Jan.-Aug.
Grant Construction Company .	\$15,778 84	\$4,867 76
J. Palumbo . . . . .	97,321 28	25,687 98
P. J. O'Donnell . . . . .	84,370 82	34,685 62
R & L Construction Company .	35,018 74	52,545 16
R. Gillerist . . . . .	12,616 65	5,342 41
J. F. Hynes . . . . .	19,262 60	5,381 03

Above totals include publicly bid contracts.

APPENDIX 3  
SUMMARY OF CONTRACTORS, OCTOBER, 1968

VENDOR	Type Work	Total Orders Received	Per- centage of Total	Orders Under \$300	Orders Over \$300	Total Vouchers	Per- centage of Total
P. J. Dimm	Fence . . . . .	6	85.7	6		\$593 65	75.2
	Yard . . . . .	3	21.4	3		151 80	70.9
	Miscellaneous . . . . .	1	16.6	1		41 60	5.2
	Total . . . . .	10		10		787 05	
Grant Construction	Fence . . . . .	1	14.3	1		195 15	24.8
	Carpentry — New	1	100.0		1	1,935 00	100.0
	Window Screens . . . . .	1	33.3	1		113 64	28.5
	Carpentry . . . . .	5	37.3	4	1	1,069 84	56.5
	Total . . . . .	8		6	2	3,313 63	
S. Hingston J. Palumbo	Furniture Repairs . . . . .	1	10.0	1		70 00	26.55
	Furniture Repairs . . . . .	1	10.0	1		297 95	11.3
	Service . . . . .	1	5.88	1		98 00	12.07
	Window Shades . . . . .	1	12.5	1		78 50	12.9
	Glass . . . . .	2	17.31	5	4	3,986 50	23.73
	Miscellaneous . . . . .	2	33.3	2		327 00	41.2
	Carpentry . . . . .	9	67.2	5	4	5,615 40	29.65
	Total . . . . .	23		15	8	10,403 35	
Ivy League Twombly Associates Business Equipment McCarthy Brothers	Furniture Purchases . . . . .	1	10.0		1	708 98	26.84
	Furniture purchases . . . . .	2	20.0	2		72 35	2.74
	Furniture Purchases . . . . .	1	10.0	1		105 18	3.98
	Furniture Purchases . . . . .	2	20.0		2	976 10	36.95



APPENDIX 3 — Continued  
SUMMARY OF CONTRACTORS, OCTOBER, 1968

VENDOR	Type Work	Total Orders Received	Per- centage of Total	Orders Under \$300	Orders Over \$300	Total Vouchers	Per- centage of Total
J. Hourihan Smith Roofing J. E. Morin Mass. Parking Authority T. A. Sheehan A.A.A. Exterminating	Roofing . . . . .	2	25.0	2	1	\$301 00	8.32
	Roofing . . . . .	1	12.5			496 45	13.73
	Roofing . . . . .	1	12.5	1		153 80	4.25
	Service . . . . .	1	5.8	1		68 00	8.3
	Service . . . . .	10	58.8	10		340 00	41.8
	Service . . . . .	3	17.6	3		152 00	18.7
	Miscellaneous . . . . .	2	11.7	2		154 01	18.9
C. S. Walsh Transportation	Miscellaneous . . . . .	3	5.0	3		293 60	3.7
	Total . . . . .	5		5		447 61	
	Window Screens . . . . .	2	66.6	2		285 53	71.5
	Glass . . . . .	1	1.92	1		64 40	.38
J. Hynes	Total . . . . .	3		3		349 93	
	Window Shades . . . . .	5	62.5	2	3	3,960 25	65.2
	Miscellaneous . . . . .	1	1.6	1		181 75	2.2
	Electrical . . . . .	1	1.2	1		41 75	.6
J. Walker	Total . . . . .	7		7	3	4,183 75	

Arrow Venetian Shade	Window Shades	.	.	.	.	1	12.5	1	\$128 80	2.12
J. J. Murray	Window Shades	.	.	.	.	1	12.5		1,900 00	31.3
Washington Contracting	Yard	.	.	.	.	3	21.4	3	444 00	20.7
Aiton Tree Service	Yard	.	.	.	.	1	7.1	1	165 00	7.7
Magri Construction	Yard	.	.	.	.	2	14.3	2	375 90	17.56
Calumet Glass	Glass	.	.	.	.	5	9.6	4	1,326 38	7.9
Dorchester Plate Glass	Glass	.	.	.	.	11	21.2	6	2,933 21	17.46
R & L Construction	Glass	.	.	.	.	1	1.92	1	128 20	.76
	Miscellaneous	.	.	.	.	1	1.66	1	103 20	1.3
	Carpentry	.	.	.	.	21	15.6	16	4,827 29	25.49
	Total	.	.	.	.	—		—	5,058 69	
		.	.	.	.	23		18		
Tam Construction	Glass	.	.	.	.	7	13.4	3	2,214 15	13.18
American Plate Glass	Glass	.	.	.	.	6	11.5	2	2,340 21	13.9
Minot Glass	Glass	.	.	.	.	4	7.7	3	123 78	.75
Avery Welding	Miscellaneous	.	.	.	.	19	31.6	1	2,479 79	31.23
	Plumbing, Heating	.	.	.	.	3	2.8	3	282 45	2.19
	Total	.	.	.	.	—		—	2,762 24	
		.	.	.	.	22		21		
Hobart Manufacturing	Miscellaneous	.	.	.	.	1	1.6	1	14 20	.18
Ace Service	Miscellaneous	.	.	.	.	1	1.6	1	323 71	4.0

APPENDIX 3 — Continued  
SUMMARY OF CONTRACTORS, OCTOBER, 1968

VENDOR	Type Work	Total Orders Received	Per- centage of Total	Orders Under \$300	Orders Over \$300	Total Vouchers	Per- centage of Total
Pres Welding	Miscellaneous	.	6.67	4		\$278 75	3.51
Dineen Auto	Miscellaneous	.	10.0	6		408 80	5.15
Hyde Park Sign Service	Miscellaneous	.	6.67	4		153 90	1.94
Stevens Hardware	Miscellaneous	.	1.6	1		24 00	.30
DeMambro Sound	Miscellaneous	.	1.6	1		104 25	1.3
Business Equipment	Miscellaneous	.	1.6	1		4 07	.05
Art Floors, Inc.	Miscellaneous	.	1.6	1	1	453 50	5.7
A. J. Wilkinson	Miscellaneous	.	5.0	3		41 51	.52
	Carpentry	.	17.6	23		525 65	2.78
	Total	.		—		567 16	
Consolidated Elevator	Miscellaneous	.	1.6	1		17 10	.22
Atlantic Flagpole	Miscellaneous	.	5.0	3		122 60	1.54
American Type Founders	Miscellaneous	.	1.66	1		66 44	.84
Sam Stone	Miscellaneous	.	1.66	1	1	498 00	6.27
Fairview Esso	Miscellaneous	.	1.66	1		61 12	.77
A. T. Johnson	Miscellaneous	.	1.66	1		116 23	1.46
Northeast Elevator	Electrical	.	7.23	6		311 65	4.9
J. McKeen	Electrical	.	19.28	15	1	2,704 95	42.52
DiPirro	Electrical	.	1.20	1		61 30	.96
	Plumbing, Heating	.	.93	1		127 40	.99
	Total	.		—		188 70	



APPENDIX 3 — *Concluded*  
SUMMARY OF CONTRACTORS, OCTOBER, 1968

VENDOR	Type Work	Total Orders Received	Per- centage of Total	Orders Under \$300	Orders Over \$300	Total Vouchers	Per- centage of Total
L. H. & J. J. Jacobs	Plumbing, Heating	8	7.48	6	2	\$1,013 77	7.86
C. J. Donahue	Plumbing, Heating	4	3.72	4		506 40	3.93
Boston Filter	Plumbing, Heating	2	1.87	2		108 21	.84
Whitty Company	Plumbing, Heating	2	1.87	2		155 76	1.21
Zoella Brothers	Plumbing, Heating	2	1.87	2		89 41	.07
J. McCusker	Plumbing, Heating	1	.93	1		91 37	.07
Ace Sprinkler	Plumbing, Heating	1	.93	1		40 30	.03
J. Gallagher & Son	Plumbing, Heating	2	1.87	2		166 50	1.29
James E. Reardon	Plumbing, Heating	1	.93		1	1,240 00	9.62
A. S. Peterson	Plumbing, Heating	2	1.87		2	114 45	1.12
Consolidated, Inc.	Plumbing, Heating	3	2.80	2	1	765 50	5.94
C. S. Sheehy	Plumbing, Heating	1	.93	1		11 30	.01
W. J. Anderson	Plumbing, Heating	1	.93	1		179 68	1.39
Trethewey Brothers	Plumbing, Heating	2	1.87	2		118 60	.92



APPENDIX 4  
SUMMARY OF WORK ORDERS BY CATEGORY  
OCTOBER, 1968

TYPE WORK											Total Contractors	Total Orders	Total Vouchers
Fence	.	.	.	.	.	.	.	.	.	.	2	7	\$788 00
Furniture — Furniture Repairs	.	.	.	.	.	.	.	.	.	.	8	10	2,641 43
Carpentry — New	.	.	.	.	.	.	.	.	.	.	1	1	1,935 00
Masonry	.	.	.	.	.	.	.	.	.	.	2	3	2,135 50
Painting	.	.	.	.	.	.	.	.	.	.	3	4	20,037 00
Plastering	.	.	.	.	.	.	.	.	.	.	1	1	258 35
Roofing	.	.	.	.	.	.	.	.	.	.	5	8	3,616 25
Service	.	.	.	.	.	.	.	.	.	.	5	17	812 00
Window Screens	.	.	.	.	.	.	.	.	.	.	2	3	399 17
Window Shades	.	.	.	.	.	.	.	.	.	.	4	8	6,067 55
Yard	.	.	.	.	.	.	.	.	.	.	6	14	2,140 45
Glass	.	.	.	.	.	.	.	.	.	.	9	52	16,797 48
Miscellaneous	.	.	.	.	.	.	.	.	.	.	24	60	7,939 52
Electrical	.	.	.	.	.	.	.	.	.	.	19	83	6,361 62
Carpentry	.	.	.	.	.	.	.	.	.	.	13	134	18,936 36
Plumbing and Heating	.	.	.	.	.	.	.	.	.	.	25	107	12,891 95
Total	.	.	.	.	.	.	.	.	.	.	129	512	\$103,758 43

**APPENDIX 5**  
**RESUME OF WORK ORDERS UNDER \$300 AND OVER \$300 — BY CATEGORY**  
**OCTOBER, 1968**

	TYPE WORK	Under \$300	TOTAL ORDERS		Total
			Over \$300 Under \$2000 (Invit.)	Over \$300 Under \$2000 (Emerg.)	
Fence . . . . .	.	7			7
Furniture and Repairs	.	6	4		10
Carpentry — New . . . . .	.		1		1
Masonry . . . . .	.	1	2		3
Painting . . . . .	.	1	3		4
Plastering . . . . .	.	1			1
Roofing . . . . .	.	5	3		8
Service . . . . .	.	17			17
Window Screens	.	3			3
Window Shades	.	4			4
Yard . . . . .	.	13			13
Glass . . . . .	.	28		1	29
Miscellaneous . . . . .	.	55	4	24	83
Electrical . . . . .	.	82	1	1	84
Carpentry . . . . .	.	118	10	6	134
Plumbing and Heating	.	101	5	1	107
Total . . . . .	.	442	37	33	512

APPENDIX 6  
SUMMARY OF CONTRACTORS, OCTOBER, 1969

VENDOR	Type Work	Total Orders Received	Per- centage of Total	Orders Under \$300	Orders Over \$300	Total Vouchers	Per- centage of Total
Grant Construction	General Construction	1	50.0	1	1	\$582.44	77.41
	Shades and Screens	1	8.33			184.60	6.51
	Carpentry	8	5.37	7	1	1,461.05	9.16
	Total	10		8	2	2,228.09	
Washington Construction Tony Volante	General Construction	1	50.0	1		170.00	22.59
	Yard	1	14.28	1		95.00	12.85
	Plumbing, Heating	3	1.97	3		399.00	1.63
	Total	4		4		494.00	
Avery Welding	Yard	5	71.43	5		220.00	29.75
	Fence	13	52.0	13		1,492.00	42.59
	Miscellaneous	11	18.64	11		1,041.55	4.77
	Total	29		29		2,753.55	
P. J. Dinn	Yard	1	14.29		1	424.40	57.40
	Fence	8	32.0	6	2	1,363.99	38.94
	Total	9		6	3	1,788.39	
P. Veneto	Plastering	1	100.0	1		82.60	100.0
	Masonry	3	30.0	3		375.40	10.69
	Total	4		4		458.00	

APPENDIX 6—Continued  
SUMMARY OF CONTRACTORS, OCTOBER, 1969

VENDOR	Type Work	Total Orders Received	Per- centage of Total	Orders Under \$300	Orders Over \$300	Total Vouchers	Per- centage of Total
Huffarelli Construction							
J. Murray	Masonry . . . . .	4	40.0	2	2	\$2,671 00	76.08
P. DiCenzo	Masonry . . . . .	1	10.0	1		259 81	7.40
J. P. Donahue	Masonry . . . . .	1	10.0	1		100 00	2.85
Calas Painting	Painting . . . . .	1	10.0	1		104 53	2.98
N. Bello	Painting . . . . .	1	33.33	1	1	9,540 00	98.42
A. J. Wilkinson	Painting . . . . .	1	33.33	1		104 75	1.08
	Painting Supplies . . . . .	1	33.33	1		48 60	.50
	Miscellaneous . . . . .	5	8.47	5		88 68	.41
	Carpentry . . . . .	27	18.12	27		793 40	4.98
	Total . . . . .	33		33		930 68	
J. Hynes							
	Shades and Screens . . . . .	3	25.01	3		169 77	5.98
	Carpentry . . . . .	18	12.08	15	3	2,645 87	16.6
	Miscellaneous . . . . .	1	1.69	1		30 35	.14
	Total . . . . .	22		19	3	2,845 99	
J. Walker							
	Shades and Screens . . . . .	4	33.33	1	3	1,714 35	60.43
	Glass . . . . .	1	1.66		1	1,990 00	9.37
	Total . . . . .	5		1	4	3,704 35	
P. J. O'Donnell							
	Shades and Screens . . . . .	2	16.66	1	1	411 90	14.52
	Glass . . . . .	12	20.0	6	6	4,066 38	19.15
	Carpentry . . . . .	5	3.36	3	2	2,694 10	16.9
	Total . . . . .	19		10	9	7,172 38	

J. Palumbo	Shades and Screens	2	16.67	1	1	\$356 10	12.55
	Furniture, Repairs, Replacement	5	19.23	1	4	1,736 20	16.23
	Glass	10	16.66	3	7	3,996 08	18.82
	Service	1	1.265	1		75 20	1.14
	Carpentry	13	8.72	10	3	2,214 99	13.89
	Total	31		16	15	8,378 57	
H. Morin	Roofing	6	35.29	4	2	4,653 50	57.37
H. A. Smith	Roofing	4	23.52	4		622 84	7.68
Atlas Roofing	Roofing	4	23.53	4		881 50	12.10
J. Hourihan	Roofing	3	17.65	2		1,853 32	22.85
Pres Welding	Fence	2	8.0	1	1	419 50	11.98
	Miscellaneous	2	3.39	2		91 50	.42
	Total	4		3	1	511 00	
C & C Fence	Fence	2	8.0	2		227 45	6.49
S. Hingsston	Furniture, Repairs, Replacement	5	19.23	5		946 50	8.85
H. S. Wolkin	Furniture, Repairs, Replacement	4	15.38	2	2	1,791 25	16.74
McCarthy Brothers	Furniture, Repairs, Replacement	7	26.92	6	1	1,716 90	16.05
Jarmak Company	Furniture, Repairs, Replacement	1	3.85	1	1	645 00	6.03
Twombly Association	Furniture, Repairs, Replacement	3	11.54	1	2	2,217 88	20.73
Public Seating	Furniture, Repairs, Replacement	1	3.85	1	1	1,645 76	15.38
A. Wilson	Miscellaneous	4	6.78	2	4	3,537 20	16.21
Hyde Park Sign	Miscellaneous	2	3.39	2		139 00	.64
Malthy Tree	Miscellaneous	1	1.69	1		111 59	.51
Aiton Tree	Miscellaneous	2	3.39	2		350 00	1.6

APPENDIX 6 — Continued  
SUMMARY OF CONTRACTORS, OCTOBER, 1969

VENDOR	Type Work	Total Orders Received	Per- centage of Total	Orders Under \$300	Orders Over \$300	Total Vouchers	Per- centage of Total
M. J. Kelly	Miscellaneous	.	1.69	1		\$26 85	.12
	Carpentry	.	3.36	5		459 56	2.88
	Total	.		6		486 41	
Atlantic Flagpole Suffolk Erection Stahleker Steel	Miscellaneous	.	5.08	3		313 80	1.44
	Miscellaneous	.	1.69	1		49 00	.22
	Miscellaneous	.	1.69	1		132 30	.61
	Miscellaneous	.	1.69	1		23 60	.11
Art Floors	Carpentry	.	.67	1		108 75	.88
	Total	.		2		132 35	
Hinds & Coon T. Read Allied Electrical City Record	Miscellaneous	.	1.69	1		38 06	.17
	Miscellaneous	.	1.69	1		58 40	.27
	Miscellaneous	.	1.69	1		11 88	.05
	Miscellaneous	.	3.39	2		100 00	.46
Service	Service	.	1.265	1		50 00	.78
	Total	.		3		150 00	
Central Restaurant Equip. Gorham Fire Equipment Automatic Fire Alarm B. D. Brook Newton Potters	Miscellaneous	.	1.69	1	1	14,000 00	64.18
	Miscellaneous	.	8.47	5		682 71	3.13
	Miscellaneous	.	3.39	2		99 16	.45
	Miscellaneous	.	1.69	1		25 00	.11
Newton Potters	Miscellaneous	.	5.08	3		74 54	.34
	Total	.		3		150 00	

Melville Texaco	Miscellaneous	.	.	.	2	3.39	2	\$64 00	.29
Powers Equipment	Miscellaneous	.	.	.	1	1.69	1	76 80	.35
Andrew T. Johnson	Miscellaneous	.	.	.	1	1.69	1	73 37	.34
Wild & Stevens	Miscellaneous	.	.	.	1	1.69	1	477 67	2.19
Seaboard Service	Miscellaneous.	.	.	.	2	3.39	2	97 42	.45
	Electrical	.	.	.	6	5.45	5	1,306 10	3.44
	Total	.	.	.	-		-	1,403 52	
		.	.	.	8		7	1,403 52	
Dorchester Plate Glass	Glass	.	.	.	14	23.33	6	5,889 76	27.24
Calumet Glass	Glass	.	.	.	7	11.66	7	1,130 34	5.32
Tam Construction	Glass	.	.	.	7	11.66	7	641 92	3.02
Minot Glass	Glass	.	.	.	5	8.33	2	2,014 34	9.49
Turner Glass	Glass	.	.	.	2	3.33	2	1,402 07	6.6
J. Freeman	Glass	.	.	.	1	1.66	1	27 64	.13
Pittsburgh Plate Glass	Glass	.	.	.	1	1.66	1	75 00	.35
Mass. Parking Authority	Service	.	.	.	1	12.65	1	68 00	1.03
Fairview Esso	Service	.	.	.	1	12.65	1	52 95	.8
C. S. Walsh Transportation	Service	.	.	.	17	21.52	17	2,139 50	32.43
Burns Electric Security	Service	.	.	.	1	12.65	1	87 50	1.33
	Electrical	.	.	.	1	.91	1	30 00	.08
	Total	.	.	.	-		-	117 50	
		.	.	.	2		2	117 50	
T. Sheehan	Service	.	.	.	9	11.39	9	410 00	6.21
A.A.A. Exterminating	Service	.	.	.	6	7.59	6	289 00	4.38
Brown Motor	Service	.	.	.	3	3.8	3	363 50	5.51
	Electrical	.	.	.	1	.91	1	67 20	.18
	Total	.	.	.	-		-	430 70	
		.	.	.	4		4	430 70	
Bay State Service	Service	.	.	.	7	8.86	7	370 32	5.61
	Electrical	.	.	.	1	.91	1	15 35	.04
	Total	.	.	.	-		-	385 67	
		.	.	.	8		8	385 67	

APPENDIX 6 — Continued  
SUMMARY OF CONTRACTORS, OCTOBER, 1969

VENDOR	Type Work	Total Orders Received	Per- centage of Total	Orders Under \$300	Orders Over \$300	Total Vouchers	Per- centage of Total
Allen Refrigerator	Service . . . . .	17	21.52	17		\$488 35	7.4
M. A. Johnson	Service . . . . .	1	1.265	1		69 75	1.06
Northeast Elevator	Service . . . . .	4	5.06	4		385 54	5.84
Consolidated Elevator	Service . . . . .	1	1.265	1		60 60	.92
Beckwith Elevator	Service . . . . .	4	5.06	4		1,075 33	16.3
Ace Service	Service . . . . .	1	1.265	1		257 55	3.9
Central Fan	Service . . . . .	1	1.265	1		27 60	.42
Home Carpet Cleaning	Service . . . . .	1	1.265	1		285 00	4.32
Cote Motors	Service . . . . .	1	1.265	1		11 53	.17
Helmud Welding	Service . . . . .	1	1.265	1		30 40	.46
J. McKeen Electric	Electrical . . . . .	22	20.0	19	3	5,746 70	15.12
Griffin Electric	Electrical . . . . .	14	12.73	13	1	1,690 14	4.45
Keene Power & Safety Equip.	Electrical . . . . .	13	11.82	13		386 15	1.02
Sullivan & McLaughlin	Electrical . . . . .	4	3.64	3	1	18,245 00	48.0
DeMambro Sound Equip.	Electrical . . . . .	2	1.82	2		44 75	.12
Simplex Time	Electrical . . . . .	12	10.91	12		255 60	.67
Standard Time	Electrical . . . . .	2	1.82	2		68 00	.18
Fleetime	Electrical . . . . .	2	1.82	2		211 72	.56
Balco	Electrical . . . . .	1	.91	1		102 00	.27
Pearlman Electric	Electrical . . . . .	1	.91	1		98 20	.26
Cincinnati Time	Electrical . . . . .	1	.91	1		18 00	.05
Lester Franklin, Jr.	Electrical . . . . .	5	4.55	3	2	6,717 80	17.67
Yale Electric	Electrical . . . . .	1	.91	1		235 00	.62
DiPirro	Electrical . . . . .	1	.91	1		27 55	.07





## APPENDIX 6 — Concluded

## SUMMARY OF CONTRACTORS, OCTOBER, 1969

VENDOR	Type Work	Total Orders Received	Per- centage of Total	Orders Under \$300	Orders Over \$300	Total Vouchers	Per- centage of Total
A. S. Peterson	Plumbing, Heating	.	1.32	1	1	\$612 10	2.5
Industrial Systems	Plumbing, Heating	.	1.97	3		234 54	.96
Sandy Plumbing	Plumbing, Heating	.	1.32		2	1,825 62	7.46
Enterprise Equipment	Plumbing, Heating	.	.66	1		32 50	.13
I. Blair	Plumbing, Heating	.	.67			30 00	.19
R. Gillcrist	Carpentry	.	38.26	57		1,108 83	6.95
Jas. Dempsey	Carpentry	.	6.04	9		214 80	1.35
Pond Construction	Carpentry	.	.67		1*	3,530 00	22.14
J. Appel	Carpentry	.	2.01	3		247 95	1.56
Reliable Floor	Carpentry	.	.67		1	434 00	2.72

\* Public Bid

APPENDIX 7  
SUMMARY OF WORK ORDERS BY CATEGORY  
OCTOBER, 1969

Type Work																				Total Contractors	Total Orders	Total Vouchers
General Contractors	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	2	2	\$752 44
Yard . . . . .	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	3	7	739 40
Plastering . . . . .	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	1	1	82 60
Masonry . . . . .	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	5	10	3,510 74
Painting . . . . .	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	3	3	9,693 35
Shades and Screens .	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	5	12	2,836 72
Roofing . . . . .	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	4	17	8,111 16
Fence . . . . .	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	4	25	3,502 94
Furniture Repairs .	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	7	26	10,699 49
Miscellaneous . . .	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	27	59	21,814 43
Glass . . . . .	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	10	60	21,233 53
Service . . . . .	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	20	79	6,597 62
Electrical . . . . .	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	21	110	38,012 51
Plumbing and Heating	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	25	152	24,469 75
Carpentry . . . . .	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	13	149	15,943 30
Total . . . . .	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	150	712	\$167,999 98

APPENDIX 8  
RESUME OF WORK ORDERS UNDER \$300 AND OVER \$300 — BY CATEGORY  
OCTOBER, 1969

TYPE WORK	TOTAL ORDERS				Total
	Under \$300 (Regular)	Under \$300 (Emergency)	Over \$300 Under \$2000 (Invited)	Over \$300 Under \$2000 (Emergency)	
General . . . . .	1	3	1	1	2
Yard . . . . .	3				7
Plastering . . . . .	1				1
Masonry . . . . .	7	1		2	10
Painting . . . . .	2		1		3
Shades and Screens . . . . .	5	2	4	1	12
Roofing . . . . .	11	3	2	1	17
Fence . . . . .	17	5	2	1	25
Furniture — Repairs, Replacement	12	3	11		26
Miscellaneous . . . . .	46	7	6		59
Glass . . . . .	31	2	17	10	60
Service . . . . .	59	20			79
Electrical . . . . .	56	43	8	3	110
Plumbing and Heating . . . . .	27	112	5	8	152
Carpentry . . . . .	99	39	10	1	149
Total . . . . .	377	240	67	28	712

## APPENDIX 9

*(Letter used in canvass of contractors.)*

Dear Sir:

Our Commission has voted to conduct a survey of small School Department repair orders in cooperation with the City of Boston and the School Department.

The following questionnaire has been prepared to ascertain the availability of contractors to perform School Building Repair Work on jobs that do not exceed \$2,000 in value.

Your cooperation in answering these questions will be deeply appreciated.

1. Have you ever been invited by the Department of Planning and Engineering of the Boston School Committee:
  - a. To perform repair work on any Boston School Building in amounts not exceeding \$2,000.
 

Yes——No——
  - b. To submit bids on such work.
 

Yes——No——
  - c. To have your name added to a list of contractors who are available to perform such repair work.
 

Yes——No——
2. If the answer to the above questions (1a and 1b) is "Yes," please indicate the type and location of such repair work.
3. If your answer to the above questions is "No," please state whether you would be interested in bidding on School Repair jobs in which the amount of the job does not exceed \$2,000.
 

Yes——No——

Thank you very much for your cooperation.

Very truly yours,

# APPENDIX 10 RECAPITULATION OF CANVASS OF CONTRACTORS

CATEGORY	QUESTION 1 Invited by Department of Planning and Engineering— Boston School Committee									
	A					B		C		
	Perform Repair Work — Schools					To Submit Bids on Such Work		Name Added to List Who Are Available for Such Work		
	Total Question- naires Sent	Total Question- naires Received	Amount Over \$2,000	Yes	No	Yes	No	Yes	No	
General Contractors	48	31	7	7	24	7	24	5	24	
Carpentry . . .	27	15	6	6	9	6	9	5	9	
Painting . . .	30	16	4	4	12	4	12	3	13	
Electrical . . .	34	21	3	3	18	3	18	5	15	
Plumbing, Heating	57	31	7	7	23	7	23	6	22	
Fence . . .	10	4	2	2	2	2	2	3	1	
Plastering . . .	9	3	2	2	2	2	2	1	2	
Roofing . . .	29	17	4	4	13	3	14	4	12	
Exterminating . . .	10	4	1	1	3	1	4	1	3	
Screens and Shades .	6	3	1	1	2	1	2	1	2	
Locksmiths . . .	11	7	1	1	6	1	6	1	6	
Welding . . .	10	5	2	2	3	2	3	1	3	
Refrigeration . . .	6	4	1	1	3	1	3	2	2	
Totals.	287	161	39	39	120	37	122	38	114	
Percentage.		56.1	24.2	24.2	74.5	22.9	75.7	23.6	70.8	

APPENDIX 10 — *Concluded*

## RECAPITULATION OF CANVASS OF CONTRACTORS

CATEGORY	QUESTION 2 If Answer to 1A and 1B Is Yes, Indicate Type, Location—Re- pair Work		QUESTION 3 Interested in Bidding on School Repairs, not to Ex- ceed \$2,000	
	Various		Yes	No
General Contractors	.	.	25	6
Carpentry . . .	.	.	15	
Painting . . .	.	.	14	2
Electrical . . .	.	.	17	4
Plumbing, Heating .	.	.	28	3
Fence . . .	.	.	4	
Plastering . . .	.	.	3	
Roofing . . .	.	.	16	1
Exterminating . . .	.	.	3	1
Screens and Shades	.	.	2	1
Locksmiths . . .	.	.	6	1
Welding . . .	.	.	4	1
Refrigeration . . .	.	.	4	
Totals	.	.	141	20
Percentage	.	.	87.5	12.4

## AN ANALYSIS OF BOSTON'S 1970 TAX RATE

BOSTON, September 18, 1970.

*To the Honorable the Mayor:*

This report contains the 1970 tax rate analysis for the City of Boston.

Each year the Finance Commission, in response to requests from many quarters, prepares and publishes a detailed analysis of the tax rate for that year. In this report we examined the various factors on both the appropriation and revenue sides of the ledger which accounted for the sharp rise in the tax rate from \$144.40 in 1969 to \$156.80 in 1970.

## I. HIGHLIGHTS

## A. ON THE APPROPRIATION SIDE

1. Boston's budget for 1970 exceeded the budget for the year 1969 by \$22,150,989. This compares with an increase of only \$17,699,811 in the 1969 budget over that of the previous year. Two municipal functions accounted for 75 percent of the increase: public safety and public health.

2. In 1970 school costs increased by approximately \$8,000,000 over 1969; this increase is consistent with that which has prevailed since 1967. An unprecedented outlay of \$4,500,000 in appropriations for school repairs and a \$5,000,000 loan order now pending for the same purpose indicates that a massive attempt to deal with school repairs is contemplated this year. These two amounts together represent more than twice the 1969 appropriation for school repairs and five times the amount appropriated for that purpose in 1967. The additional amount for school purposes required to be appropriated by the Mayor and Council has increased from approximately \$3.2 millions in 1967 to \$5.3 millions in 1970.

3. Although the amount needed to service the city's debt is less in 1970 than in 1969, the drop only reflects the reduction in welfare debt requirements. In point of fact, the debt trend of the city continues to rise sharply.



As of June 30, 1970, the city's net debt stood at \$170,-832,617; however, "Loans Authorized but Not Issued," which are destined to become debt when eventually issued, amounted to \$235,905,469, as of August 1, 1970.

Thus, the sum of Boston's actual and potential debt comes to the staggering total of \$406,738,086.

When compared with the debt figures for 1960, the change in the debt picture that has occurred over the last ten years is especially dramatic. As of December 31, 1960, the city's net debt was \$101,016,708, and the figure for "Loans Authorized but Not Issued" was only \$49,-191,349.

4. For fifty years Boston has carried the lion's share of the public transit deficit: approximately 65 percent. Now the burden is slowly shifting; the MBTA appropriation for 1970 actually declined by \$1,273,962 over 1969. Boston, nevertheless, now carries 47.668 percent of the \$30,762,442 net cost of service (deficit) for the entire MBTA area served.

5. Boston continues to pay an increasing amount for the MDC Parks District. In 1970 Boston will pay the MDC costs of \$4,090,837, which represents a 75 percent increase over the last five years. In spite of all this, no advisory council has yet been established to give Boston and the other municipalities involved a voice in the decisions affecting MDC expenditures and policy.

6. For many years, the Finance Commission has urged that a 6 percent overlay be added to the tax levy to cover the cost of rising abatements; the customary 5 percent overlay provision has proved inadequate in recent years and the deficit has been provided for in the tax rate for the following year. Recently, the City Council focused its attention on the issue and now in 1970, for the first time, Boston has chosen to use a 6 percent overlay.

Tax abatements in Boston in 1969 reached \$18,796,442 for all levy years which is the highest they have been since 1957. Railroad abatements accounted for \$3,648,813 of this amount; and clause 41 (abatements granted to persons over seventy years of age) accounted for \$3,437,615.

7. Boston in 1969 continued its unbroken run of sewer deficits which are reflected in the 1970 appropriations and tax order.

8. As expected, pension fund, contributory, appropriations continued to rise. The 1970 increase is \$2,900,000; a substantial part of this increase resulted from a cost of living increase.

## B. ON THE REVENUE SIDE

1. The treatment of departmental revenues was revamped in Boston in 1970. Historically, departmental receipts have been estimated on the basis of actual receipts for the previous year. But Boston in 1970 has been authorized by special legislation to estimate hospital receipts at a figure of \$30,800,000, although it should be noted receipts in 1969 amounted to only \$25,861,798.

2. Revenues received from the state is a disappointing area of pluses and minuses. Under the new school-aid distribution, the so-called "Nesdec" formula, Boston will get \$12,669,650 more than was received in 1969. Offsetting this increase, however, is a \$11,427,654.76 drop in the distribution of state-collected taxes on the "valuation" basis. As a net result Boston will receive \$2,173,461 less from the state in 1970 than it received in 1969.

3. The 1970 tax rate benefited by the use of \$7,200,000 in "free cash" (the excess of surplus over taxes receivable). Actually, the "free cash" available at the close of 1969 was only \$22,940; but by the end of the first quarter in 1970, the "free cash" figure was \$11,324,818.

4. In 1970 property valuations (the tax base) increased by \$18,000,000. Boston lost \$6,353,700 in eminent domain takings, much less than the average in recent years. The city's tax base which is composed primarily of taxable real estate is a harsh and inflexible framework, indeed, within which to operate financially; the failure of real property valuations to keep pace with inflationary forces and the cost of expanding city services produces increasing tax rates. A comparison of the increase in valuations between 1960 and 1970 with the

increase in tax rates is for those years significant. During that period, property valuations increased by only 10 percent (from \$1,465,525,100 to \$1,617,000,000), whereas the Boston tax rate increased by 56 percent (from \$100.70 to \$156.80).

## II. DETAILED REVIEW OF APPROPRIATIONS AND REVENUES AND CREDITS

### A. APPROPRIATIONS

#### *City Budget*

The city budget increased \$22,150,989 in 1970 over 1969. The following details of general appropriations (comparisons are made at tax rate setting time) indicate the significant increases or decreases by department.<sup>1</sup>

In 1970 the Police Department received a budgetary increase of \$7,577,102, the largest of any city department. This increase is accounted for by an additional \$7,000,000 for salaries and some \$500,000 for clothing in round figures.

The Health and Hospitals Department received the next biggest increase, \$6,464,766, due mostly to salary increases and new positions, resulting from collective bargaining and expansion of health and hospital programs.

General government accounted for an increase of \$3,620,163. This category includes the legislative and executive departments, administrative services, finance, law, recording and reporting, planning, general government buildings and miscellaneous government costs including in 1970 the cost of the City Auditorium and the Office of Human Rights. In this category specific budgets which deserve attention include: (a) the Office of Public Service which received a substantial increase of roughly \$400,000; (b) drug abuse, a new program with a budget slightly over \$100,000; (c) administrative services, up by approximately \$300,000; (d) public facilities, charged with new construction and major repairs, up a bit over \$1,000,000.

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<sup>1</sup> See generally Appendix Tables I and II. This discussion of Appropriations and Revenues and Credits follows the sequence of items set forth in Table I of the Appendix.

The Fire Department budget was increased by about \$2,600,000. In addition, to a new salary schedule which became effective in 1969, a number of new personnel have been added to the Fire Department. Also, chapter 62 of the Acts of 1969 now requires the payment of time and one-half for overtime work.

The Welfare Department appropriation of \$1,300,000 for 1970 will pay Health and Hospital bills incurred prior to the state assumption of Welfare. On payment to the Health and Hospitals Department, these monies will become part of the income of that department.

Hospitalization and insurance costs, which increased about \$1,100,000 simply reflect the requirement of the General Laws for the payment of part of such costs by the city.

### *County Budget*

The \$1,800,000 increase in the county budget is mainly due to increases in salaries brought about by collective bargaining. Historically, legislative action has greatly influenced county personnel matters. It bears repeating that the City of Boston bears the entire burden of Suffolk County costs. An attempt to force a more equitable distribution of these costs among all the communities in the county was rejected by the court during the year.

### *Schools*

In 1970, Boston held to its record of an annual \$8,000,000 increase in school appropriations (see table following). In addition to the fact that the School Department again has allocated \$4,500,000 for alterations and repairs in 1970, there is a \$5,000,000 loan order for school repairs which was referred to Council Committee on March 9.

# SCHOOL APPROPRIATIONS

	1967	1968	1969	1970
General School Purposes Certified by Auditor . . . . .	\$49,761,181 81	\$57,009,746 00	\$63,730,432 55	\$68,612,998 00
Estimated Income . . . . .	1,540,000 00	1,452,500 00	1,493,500 00	2,840,000 00
Unexpended Balances . . . . .	223,799 09	—	635,210 85	4,589 00
Additional Appropriation, Mayor and Council . . . . .	3,245,458 00	4,406,352 00	2,503,855 00	5,309,781 00
Alterations and Repairs . . . . .	1,900,000 00	2,100,000 00	4,520,000 00	4,502,000 00
	\$56,670,439 00	\$64,968,598 00	\$72,882,998 00	\$81,267,368 00

Chapter 786 of the Acts of 1963 prescribes the formula by which the Auditor determines the school appropriation for general school purposes; these are the steps:

	1967	1968	1969	1970
1. Estimated Income . . . . .	\$ 1,540,000 00	\$ 1,452,500 00	\$ 1,493,500 00	\$ 2,840,000 00
2. Appropriation by School Committee, Previous Year . . . . .	46,430,788 00	51,524,981 00	58,462,246 00	65,859,143 00
3. Appropriation by Mayor and Council, Previous Year . . . . .	2,312,089 00	3,245,458 00	4,406,352 00	2,503,855 00
4. Unexpended Balances, Previous Year . . . . .	223,799 09	—	635,210 85	—
5. Twice the amount spent in last four months of Preceding Year for Salary Increases effective September 1 of that year . . . . .	2,782,104 00	3,691,807 00	2,990,545 40	3,090,000 00
Certification is amount by which 2, 3, 5 Exceeds 1 and 4 . . . . .	49,761,181 91	57,009,746 00	63,730,432 55	68,612,998 00

Although income and balances are deducted in arriving at certification by the Auditor, they are included in determining the school appropriation above.

## Debt Requirements

The drop in debt requirements in 1970 by no means indicates an improving debt situation. On the contrary, while the requirements reflect a lesser amount needed for payment of welfare debt in 1970, the total net debt continues to rise sharply and loans authorized but not issued totaled \$235,905,469 as of August 1, 1970.

## DEBT REQUIREMENTS

1970

	Debt	Interest	Various Resources	To Be Raised by Taxation
City . . . . .	\$13,707,000 00	\$6,412,143 75	\$1,581,242 63	\$18,537,901 12
School . . . . .	2,135,000 00	1,186,575 00	—	3,321,575 00
Water . . . . .	140,000 00	84,612 50	224,612 50	—
Welfare . . . . .	2,300,000 00	172,500 00	—	2,472,500 00
Interest:				
Temporary Loans	—	1,500,000 00	—	1,500,000 00
Refunded Taxes . . . . .	—	100,000 00	—	100,000 00
Total . . . . .				<u>\$25,931,976 12</u>

1969

City . . . . .	\$13,721,000 00	\$4,856,262 50	\$1,318,269 46	\$17,438,993 04
School . . . . .	1,805,000 00	870,387 50	—	2,675,387 50
Water . . . . .	90,000 00	40,325 00	130,325 00	—
Welfare . . . . .	9,600,000 00	349,609 14	4,600,000 00	5,349,609 14
Interest:				
Temporary Loans	—	1,400,000 00	—	1,400,000 00
Refunded Taxes . . . . .	—	100,000 00	—	100,000 00
Total . . . . .				<u>\$26,963,989 68</u>

*Massachusetts Bay Transit Authority — (MBTA)*

In 1970 Boston's appropriation for MBTA costs DECLINED \$1,273,962.31 from over what it was in 1969.

Despite the rising net cost of service for the entire MBTA System of \$30,769,442.07 for the period ended November 30, 1969 as against \$28,294,741.84 for the period ended October 31, 1968, Boston's share declined by \$1,529,826.53. The table below gives the breakdown of Boston's share.

The important figure in Boston's share is that for local service. In the period October 1, 1967 to October 31, 1968, the percentage for LOCAL SERVICE stood at 62.0728; for the period November 1, 1968 to November 30, 1969, the percentage dropped to 60.2160. Barring any change in the law, this percentage should continue to decline until 1974. Starting with the calendar year 1976, LOCAL SERVICE will be assessed 50 percent on population and 50 percent on loss on routes.

Percentage-wise, for all services, Boston's share of the net cost of service declined almost 10 percent but Boston still carries 47.6681 percent of the \$30,769,442.07 net cost of service of the entire MBTA area served.

**STATE ASSESSMENT, BOSTON, MBTA NET COST OF SERVICE**

	1969	1970
Net Cost of Service		
Oct. 1, 1967 to Oct. 31, 1968		
Nov. 1, 1968 to Nov. 30, 1969 . . . . .	\$16,767,590 35	\$15,506,917 00
Add — Underestimate . . . . .	439 83	
Deduct — Overestimate . . . . .		13,321 95
	<hr/>	<hr/>
	\$16,768,030 18	\$15,493,595 05
Boston Metropolitan District Expenses	7,092 24	7,565 06
	<hr/>	<hr/>
	\$16,775,122 42*	\$15,501,160 11*

\* Includes State Treasurer's cost of servicing Net Cost of Service, Entire MBTA System.

**NET COST OF SERVICE ENTIRE MBTA SYSTEM**

	1967-1968	1968-1969
Express . . . . .	\$4,877,129 22	\$7,872,775 09
Local (MTA) . . . . .	21,493,104 30	18,464,921 00
Local (64 Cities and Towns) . . . . .	1,924,508 32	4,431,745 98
	<hr/>	<hr/>
	\$28,294,741 84	\$30,769,442 08

**BOSTON'S SHARE**

	Percent	1967-1968	Percent	1968-1969
Express — All Cities and Towns . . .	56.1102	\$1,114,208 94	42.4850	\$1,961,666 80
Express Debt, MTA . . .	67.3748	1,665,946 86	62.0352	1,514,549 64
Express Railroads . . .	18.0083	75,405 52	8.8409	71,966 92
Local MTA . . . . .	62.0728	13,341,287 86	60.2160	11,118,839 29
	57.2433	\$16,196,849 18	47.6681	\$14,667,022 65

*Metropolitan District Commission*

Boston's assessment for MDC parks continues to rise.

	1969	1970
Serial Bonds . . . . .	\$828,270 23	\$925,888 98
Interest . . . . .	444,714 85	476,105 65
Maintenance . . . . .	2,035,038 88	2,568,667 06
	\$3,308,023 96	\$3,970,661 69
Overestimate . . . . .	73,916 70	
Underestimate . . . . .		120,175 03
	\$3,234,107 26	\$4,090,836 72

There is another \$129,000 for debt servicing and an additional \$533,000 for maintenance. For years, the city has supported legislation for an MDC Advisory Board which has met with a marked lack of success. The "perennial" Advisory Board Bill, H-3607, and a new-comer, an MDC Finance Board Bill, H-3021, were heard on March 18 and given a "next annual session" disposition.

*Pensions and Annuities*

Contributory Pensions include a 10 percent average cost of living increase, with an overall increase over 1969 of \$2,900,000.

*Overlays*

Briefly, an Overlay is the amount appropriated each year to meet tax abatements. The present law requires an overlay of not less than 5 percent nor more than 6 percent of the net requirements to be raised by taxation.

Now for the first time since enabling legislation went into effect — chapter 717 of the Acts of 1957 — Boston



has chosen to use the maximum overlay of 6 percent as permitted by law. Hopefully, this will slow down overlay deficits for 1970 and subsequent years, but we must still expect overlay deficits for the levy years prior to 1970.

An Overlay Deficit results when abatements for any given levy year exceed the overlay for that year. Overlay deficits at the close of 1969 totaled \$4,104,476.25 which were appropriated in 1970 and which added \$2.57 to Boston's 1970 tax rate. Boston appropriated only \$1,619,584.64 for this purpose in 1969.

Overlay Deficits in 1970 through the Assessor's August 10, 1970 meeting and subject to minor adjustments now total \$5,291,457.28. This means as of now the deficits will add \$3.27 to Boston's 1971 tax rate.

#### OVERLAY RESERVE ACCOUNTS

LEVY YEAR	Appropriated*	Balance Dec. 31, 1968	Balance Dec. 31, 1969
1962 and Prior . . . . .	—	—	\$1,977,882 98†
1963 . . . . .	\$6,624,068 11	\$987,268 83	58,240 99†
1964 . . . . .	6,938,507 17	114,855 12	102,480 81†
1965 . . . . .	8,159,535 94	478,222 50†	181,366 50†
1966 . . . . .	7,251,578 24	332,448 44†	336,819 80†
1967 . . . . .	8,589,944 81	762,547 38†	846,288 46†
1968 . . . . .	9,702,734 84	5,718,936 69	601,396 71†
1969 . . . . .	11,187,943 09	—	3,844,508 40

\* Not less than 5 percent nor more than 6 percent of net requirements.

† In excess of overlay provisions.

Boston's abatement record in 1969 — for all levy years — (the biggest abatement year since 1957) will help pinpoint the reason for these overlay deficits.

## 1969 ABATEMENTS

Overvaluations . . . . .	\$5,091,610 28
ATB, Settled after Withdrawal . . . . .	1,899,091 04
ATB Decisions . . . . .	109,553 70
Chapter 58-8, Uncollectible . . . . .	3,811,225 60
Chapter 59-5, Exempt . . . . .	1,725,504 18
Clause 17, Widows . . . . .	495,133 30
Clause 18, Aged, Infirm . . . . .	55,290 34
Clause 22, Veterans . . . . .	1,935,516 13
Clause 37, Blind . . . . .	57,241 40
Clause 41, 70, Over . . . . .	3,437,615 41
Clause 42, Widow, Police, Fire . . . . .	10,684 84
Illegal . . . . .	167,975 30
Total . . . . .	<u>\$18,796,441 52</u>

Chapter 58-8 figures include the Penn Central Company abatements and New Haven Railway \$3,216,737.94 and Boston & Providence Railway \$432,074.93.

*Sewer Use Deficit* (Excess of Expenditures Over Receipts)

Boston, in 1969, continued its unbroken line of sewer use deficits. Thus in 1970, Boston must appropriate funds to cover the 1969 deficit of \$1,019,160.39.

To round out the 1969 sewer use figures these are the outstanding balances (revenue available when collected) at the close of 1969:

Sewer Use Charges, 1967 and prior . . . . .	\$209,049 50
Sewer Use Charges, 1968 . . . . .	874,373 69
Sewer Use Added to Taxes, 1968 and prior . . . . .	175,237 23
Sewer Use Added to Taxes, 1969 . . . . .	300,908 81
Sewer Use Tax Titles . . . . .	175,208 48
	<u>\$1,734,777 71</u>

### *Water Deficit (Excess of Expenditures Over Receipts)*

Late last quarter 1969 water billings helped produce a substantial water deficit in 1969. These are the figures:

Balance from 1968 Appropriations . . . . .		\$285,914 32
Receipts:		
Water Rates and Services . . . . .	\$8,775,859 60	
Tax Title, Water . . . . .	146,360 72	
		<u>8,922,220 32</u>
		\$9,208,134 64
Expenditures:		
Water Service . . . . .	\$2,939,883 81	
Pensions and Annuities . . . . .	240,273 16	
Collecting Division . . . . .	310,111 00	
Data Processing Unit . . . . .	345,502 00	
Public Works Department . . . . .	1,042,820 00	
Pensions, State — Boston . . . . .	135,400 00	
Debt and Interest . . . . .	130,325 00	
MDC Assessment . . . . .	5,673,420 96	
		<u>\$10,817,735 93</u>
		\$1,609,601 29*
Carried forward to 1970 Appropriation . . . . .		<u>614,004 42</u>
		\$2,223,605 71*

\* Indicates deficit.

However, water revenues available when collected (including tax titles) as of December 31, 1969, totaled \$6,463,032.41, and water rates collected through April, 1970, amounted to \$2,462,182.86, more than offsetting the December 31, 1969, deficit.

## B. REVENUES AND CREDITS

### *Departmental Revenues*

#### *City*

Traditionally, departmental revenues for the current year have been estimated on the basis of actual receipts in the prior year. Only on rare occasions has the State Tax Commission allowed a figure in excess of the actual receipts of the prior year.

Something new has been added in 1970 for Boston. By authority of chapter 909 of the Acts of 1969, Boston is permitted to use estimated hospital receipts as approved by the rate setting commission. In 1969, actual hospital receipts totaled \$25,861,798.20. In 1970 Boston has been allowed to use a figure of \$30,800,000 as estimated hospital receipts.

*State*

Estimated revenues from the state (the Boston "Cherry Sheet"), used in the computation of Boston's 1970 tax rate, are no longer distributed from the local aid fund as they were in 1969. The distribution is now made pursuant to chapter 546 of the Acts of 1969 and from a special highway bond fund distribution, chapter 768, section 5 of the Acts of 1969.

The big change is in the school aid distribution based on the Nesdec formula. Under the Nesdec formula distribution, Boston is to get \$26,876,260.81 in 1970 compared with \$14,206,610.79 in 1969. This is all to the good but the final distribution made by the state to the city on the valuation basis largely offsets the gain in school aid. Boston in 1969 was estimated to receive \$15,673,402.51 from this source but in 1970 the estimate dropped to \$4,245,747.75.

The overall net result, comparing 1970 with 1969, gives Boston \$2,173,460.86 less in 1970 than in 1969. Further, had it not been for a "one shot" distribution from a special highway bond fund distribution of \$2,530,208.82 (estimated) Boston's net loss in 1970 over 1969 would have totaled \$4,703,669.68.

**BOSTON'S INCOME FROM STATE PER THE CHERRY SHEET  
ESTIMATES**

	1969	1970*
Appropriated Reimbursement Programs (see below)		
Local Aid Fund Distributions . . . . .	\$21,219,188 82	\$14,876,579 75
Machinery Basis	32,341,685 59	33,807,986 35
Valuation Basis		
Special Education		
School Aid		
Agency Fund Distributions . . . . .	2,518,211 37	5,221,058 83
Cigarette Excise, School Transportation		
Urban Redevelopment Corporation Excise		
and in 1970		
Special Highway Bond Fund		
Totals . . . . .	\$56,079,085 78	\$53,905,624 92

\* In 1970, distributions made under the local aid fund in 1969 are now made from the general fund.

State appropriated reimbursement programs continue to reflect the take-over by the state of welfare. This take-over accounts for the drop in welfare as shown in the table below.

### CHERRY SHEET

#### APPROPRIATED (STATE) REIMBURSEMENT PROGRAMS

	1969	1970
Maintenance, Suffolk County Courthouse . . . . .	\$250,000 00	\$325,000 00
Veterans Benefits . . . . .	3,000,000 00	2,275,000 00
Loss of Taxes, State Properties . . . . .	241,918 70	250,011 82
Abatements to Veterans . . . . .	18,488 71	47,377 66
Loss of Taxes, Widows and Others . . . . .	16,857 18	45,000 00
Government Center Commission, In Lieu Taxes . . . . .	357,569 92	357,569 92
Education of Deaf and Blind Pupils . . . . .	—	22,109 44
Pensions to Retired Teachers . . . . .	6,879,189 00	6,462,779 00
Construction of School Projects . . . . .	370,042 11	370,042 11
School Lunch Program . . . . .	130,424 60	311,986 70
Regional Public Libraries . . . . .	750,840 00	746,295 00
Free Public Libraries . . . . .	174,520 00	174,520 00
Vocational Education . . . . .	438,738 32	1,751,232 00
Water Pollution Program . . . . .	14,216 00	7,108 00
Youth Service Board — Delinquency Program . . . . .	181,250 00	160,417 00
Urban Renewal Projects . . . . .	1,879,680 28	754,211 10
Aid to Families of Dependent Children . . . . .	1,665,000 00	27,670 00
Disability Assistance . . . . .	135,000 00	—
Tuition and Transportation of Children . . . . .	200,000 00	200,000 00
Old Age Assistance . . . . .	300,000 00	—
Medical Assistance . . . . .	3,800,000 00	250,000 00
General Relief . . . . .	350,000 00	—
Care of Prematurely Born Children . . . . .	65,454 00	13,250 00
Racial Imbalance . . . . .	—	325,000 00
Totals . . . . .	\$21,219,188 82	\$14,876,579 75

### *“Free Cash”*

“Free Cash” is the excess of surplus over taxes receivable. At the close of 1969, “free cash” amounted to \$22,939.84. To this figure may be added the total of the proceeds from the sales of tax possessions and the receipts from tax title redemptions in addition to the real and personal taxes paid but levied in prior years up to March 31, 1970. At the end of the first quarter, then, the “free cash” figure was \$11,324,818.45. Section 23 of chapter 59 of the General Laws provides for the use of “free cash” as part of estimated receipts in figuring the current tax rate. In 1970, Boston has chosen to use \$7,200,000 “free cash” in the 1970 tax rate computation.

*Valuations*

The Boston Tax Base continues to increase at a painfully slow rate. The rate of increase in 1970 was actually slower than in 1969.

Fortunately, land takings in 1969 slowed down somewhat which helped preserve real estate values.

**EMINENT DOMAIN TAKINGS IN 1969**

Commonwealth of Massachusetts DPW . . . . .	\$1,694,200
Metropolitan District Commission . . . . .	32,500
Massachusetts Port Authority . . . . .	387,800
Massachusetts Bay Transportation Authority . . . . .	1,001,700
City of Boston, Public Facilities . . . . .	437,200
Boston Housing Authority . . . . .	1,100
Boston Redevelopment Authority . . . . .	2,491,700
Commonwealth of Massachusetts, University of Massachusetts . . . . .	306,500
	<hr/>
	\$6,352,700

Respectfully submitted,

LAWRENCE T. PERERA, *Chairman,*  
 JOSEPH P. McNAMARA,  
 RUSSELL S. CODMAN, JR.,  
 FREDERICK R. H. WITHERBY,  
 ARTHUR J. GARTLAND,  
*The Finance Commission.*

THOMAS J. MURPHY,  
*Executive Secretary.*

## APPENDIX

Table I of the Appendix presents a complete computation of the tax rate, a comparison with the situation in 1969 in each category of appropriation as well as revenues, and the impact of the change from 1969 to 1970 on the tax rate, expressed in dollars and cents.

Table II in the Appendix presents a comparison of the items in the tax rate of such change.

TABLE 1 — ANALYSIS OF THE 1970 TAX RATE

	1969	1970	DOLLAR INCREASE OR DECREASE		DOLLAR EFFECT 1970 TAX RATE	
			Increase	Decrease	Plus	Minus
APPROPRIATIONS:						
City Budget.....	\$153,683,904 00	\$175,834,893 00	\$22,150,989 00		\$13,698	
County Budget.....	13,536,548 00	15,425,409 00	1,888,861 00		1,168	
School Budget.....	72,882,998 00	81,267,368 00	8,384,370 00		5,185	
Debt and Interest.....	26,963,989 68	25,931,976 12		\$1,032,013 56	\$,638	
MRTA Assessments.....	16,775,122 42	15,501,160 11		1,273,962 31	.788	
MDC Assessments — Park.....	3,234,107 26	4,090,836 72	856,729 46		.530	
State Assessments.....	512,099 57	614,107 85	102,008 28		.063	
Pensions and Annuities:						
Contributory.....	14,812,600 87	17,686,863 00	2,874,262 13		1.778	.171
Non-Contributory.....	6,565,000 00	6,288,645 00		276,355 00		
Overlay:						
Deficit.....	1,619,584 64	4,104,476 25	2,484,891 61		1.537	
Current.....	11,002,535 09	14,440,286 59	3,437,751 50		2.126	
Sewer Deficit (see below).....	2,449,300 82	1,019,160 39		2,156,092 39		1.333
Water Deficit.....	915,042 63	2,223,605 71	1,308,563 08		.809	
Estimated Receipts Deficit.....	1,287,203 12			1,287,203 12		.796
MDC Sewer Overestimate (1968).....	1,455,932 63			1,455,932 63		.900
Sewer Underestimate to be raised.....		341,032 81	341,032 81		.211	
Totals.....	\$327,695,968 73	\$364,769,820 55				
REVENUES AND CREDITS:						
Departmental:						
City.....	\$32,603,212 21	\$42,773,332 91	10,170,120 70		6.289	
County.....	3,737,231 79	4,987,105 65	1,149,873 86		.711	
Schools.....	1,304,134 46	1,492,238 70	188,124 24		.116	
From State*.....						
City.....	12,889,726 60	9,241,518 13		3,648,208 47	2.256	.046
County.....	250,000 00	325,000 00	75,000 00			
Corporation Tax.....		789,374 57				
80 Percent Sales and Use Tax, etc.:.....						
Special Education Program.....	1,672,297 72	1,896,603 22	224,305 50		.139	
School Aid, G. L., Chapter 70.....	14,206,610 79	26,876,260 81	12,669,650 02		7.836	
Valuation Basis, Chapter 660, 1963.....	15,673,402 51	4,245,747 75		11,427,654 76	7.067	
Urban Redevelopment Corporation Excise.....	2,063,211 37	2,220,850 00	157,638 63		.097	
State Owned Lands.....	599,488 62	607,581 74	8,093 12		.005	
Sewer Overestimate.....	1,455,932 63			1,455,932 63	.900	
School Budget Unexpended Balances.....	657,529 00	4,589 00		652,940 00	.404	
Motor Vehicle Excise Tax.....	8,898,216 46	7,200,000 00		234,218 39	.145	
Free Cash.....		253,545,600 00	22,650,000 00		4.453	
To Be Raised by Taxation.....	230,895,600 00					
Totals.....	\$327,695,968 73	\$364,769,820 55				
VALUATIONS						
Real.....	\$1,446,731,800 00	\$1,459,918,600 00				
Personal.....	152,268,200 00	157,081,400 00				
Totals.....	\$1,599,000,000 00	\$1,617,000,000 00	18,000,000 00		1.113	
TAX RATE.....		\$144 40			12.40	

\* 1970 Distributions from General Fund, Special Highway Bond Fund



**TABLE II**  
**DETAILS OF GENERAL APPROPRIATIONS—CITY BUDGET**

Purpose	1969	Percent of Total	1970	Percent of Total	Dollar Difference	Dollar Effect on Tax Rate (Minus = Savings)
General Government.....	\$14,838,070	9.66	\$18,458,233	10.50	\$3,620,163	\$2.239
Police Department.....	29,646,738	19.29	37,223,840	21.18	7,577,102	4.686
Fire Department.....	21,415,173	13.93	24,065,398	13.69	2,650,225	1.639
Building Department.....	1,850,606	1.20	2,327,593	1.32	476,987	.295
Civil Defense Activities.....	149,938	.01	155,140	.01	5,202	.073
Traffic and Parking Department.....	1,332,535	.88	1,451,226	.84	118,691	
Licensing Board.....	153,322	.01	149,477	.01	-3,845	
Health and Hospitals Department.....	41,516,297	27.01	47,981,063	27.30	6,464,766	3.998
Public Works Department.....	16,398,038	10.67	16,580,724	9.43	182,686	.113
Welfare Department.....			1,309,569	.75	1,309,569	.810
Veterans' Services Department.....	5,085,394	3.31	5,683,358	3.23	597,964	.370
Library Department.....	5,265,500	3.43	5,732,601	3.26	467,101	.289
Parks and Recreation Department.....	6,203,886	4.04	6,363,415	3.62	159,529	.099

TABLE II—Concluded  
DETAILS OF GENERAL APPROPRIATIONS—CITY BUDGET

Purpose	1969	Percent of Total	1970	Percent of Total	Dollar Difference	Dollar Effect on Tax Rate (Minus = Savings)
Miscellaneous:						
Executions of Court.....	\$400,000	.03	\$450,000		\$50,000	\$ .031
Workmen's Compensation Service.....	66,280		64,886		-1,394	
Workmen's Compensation.....	370,000	.02	380,000		10,000	.006
City Record, Publication of.....	106,525		92,485		-14,040	-.009
Youth Activities Commission.....	506,190	.03	603,726		97,536	.060
Snow Removal.....	2,375,430	1.55	1,270,205		-1,105,225	-.683
Boston Redevelopment Authority.....	909,808	.06	896,924		-12,884	-.008
Reserve Fund.....	1,680,000	1.09	200,000		-1,480,000	-.915
Hospitalization and Insurance.....	2,800,000	1.82	3,959,400		1,159,400	.717
Auditorium Commission.....	475,124	.03	In Gen. Govt.		-475,124	-.294
Freedom Trail Commission.....	23,050		\$13,050		-10,000	-.006
Office of Human Rights.....	116,000		In Gen. Govt.		-116,000	-.072
Listing Board.....			\$135,000		135,000	.083
Air Pollution Commission.....			87,580		87,580	.052
Transportation of School Children.....			200,000		200,000	.124
Totals.....	\$153,683,904		\$175,834,893		\$22,150,989	\$13.698

SALIENT POINTS IN THE SPECIAL REPORT ON ABANDONED  
BUILDINGS RECENTLY COMPLETED BY THE FINANCE  
COMMISSION.

BOSTON, December 7, 1970.

*To the Honorable the Mayor:*

The following summary lists the salient points made in the attached Special Report on Abandoned Buildings recently completed by the Finance Commission.

In the interest of conserving Boston's dwindling housing stock, many buildings now destined for abandonment can and should be salvaged and conserved. The inevitability of abandonment should not be accepted as a matter of course.

Abandonment of buildings in Boston is a problem of substantial proportions. In 1970 in excess of \$1,000,000 will be spent for demolition of buildings at an average rate of \$2,000 per structure. Moreover, it cost the city \$350,000 in 1969 just to put out the fires in abandoned buildings; the crime problem inherent in these structures is notorious. The cumulative tax loss over the years has been great.

As of mid-year 1970, there are approximately 1,300 residential buildings in the city which have been abandoned.

The prospects for a successful so-called In-fill Program are now dim; this was the program to fill the voids left by abandoned buildings which had been razed. The city must now make every effort to prevent the creation of such voids in the future.

There are several approaches and devices, many of which have not yet been tried, which could make this preservation program possible, and stem the tide of demolition which continues to erode the city's housing stock.

Efforts aimed at the early stages of neighborhood decay are already underway. The federally funded Community Improvement Program is the principal technique; but whether substantial additional federal funds will be available is an open question. A self-liquidating approach to code enforcement, by means of a licensing process as is done in Baltimore, Philadelphia, Washington and San Francisco, should be considered.

Municipal regulatory policies conducive to residential rehabilitation should be adopted. The present power of the Building Commissioner and the Housing Inspection Commissioner to make structural repairs could be developed to a point where the rehabilitation of selected buildings under city auspices could become a reality.

Further measures which might help to improve conditions for tenants and conserve housing stock would be a licensing ordinance for owners and managers of rental housing. A uniform statutory lease with appropriate safeguards for tenants and landlords applicable to all low-income housing might also be of substantial benefit in meeting existing tenant grievances.

A consistent period of exemption from real property tax increases for housing rehabilitation projects should be established. There is indication that a number of tax-delinquent structures could be purchased and economically rehabilitated if overdue taxes were waived. Another needed innovation is the restructuring of existing court procedures or the establishment of a court having special jurisdiction and competence to deal with housing matters.

When preventative programs fail, however, and building abandonment occurs, more radical remedies are needed. A workable method of fast and expeditious acquiring of title to property by the city must be developed. Present inadequate foreclosure procedures must be overhauled. The current foreclosure scheme, with its lengthy delays is neither responsive to collection needs nor to the city's program to curb deterioration of residential housing.

Respectfully submitted,

LAWRENCE T. PERERA, *Chairman*,  
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